

CONFIGURING LABOUR RIGHTS

WORKERS IN THE PHILIPPINES' COMPUTER INDUSTRY STILL SUFFERING

This is a summary of the report "Configuring Labour Rights. Labour conditions in the Production of Computer Parts in the Philippines, SOMO, July 2009.

THE RESEARCH

makeITfair researchers interviewed workers and managers at six suppliers of big name computer brands in the Philippines in 2006 and again in 2008. Alarmed by violations of international labour standards uncovered in 2006, some computer brands decided to audit their suppliers' labour conditions themselves. Suppliers subsequently made efforts to comply with the companies' codes of conduct. However, makeITfair's 2008 research reveals that workers have not seen any real improvements in working conditions.

THE MAJOR PROBLEMS

makeITfair's research found that electronic sector workers in the Philippines are not benefitting from the country's important role in the industry:

- >> **Low wages** Workers are unable to cover basic living costs with the wages they earn for a normal working day. Minimum wages are set at such a low level (3 to 6 Euros per day) that workers only earn a third of what their families need to survive.
- >> **Excessive overtime** Workers are forced to take on excessive overtime in order to make ends meet. They often work 12 hours per day, sometimes seven days a week.
- >> **Disrespect of union rights** Unions are not allowed in most electronics companies in the Philippines; any attempts at organising can be dangerous, making it impossible for workers to improve their conditions.
- >> **Contract labour** There is a growing trend towards using labour agencies to supply workers in the electronics industry. These workers have fewer rights (no paid sick leave, no vacation days, no job security) and earn less than regular employees.

WHY ARE CODES OF CONDUCT AND AUDITS NOT SOLVING THE PROBLEMS?

makeITfair found that attempts to implement codes of conduct were not improving working conditions down the supply chain for the following reasons:

- >> Computer brands do not address the root causes of labour rights violations with their suppliers, such as low wages and lack of workers' right to organise.
- >> Computer brands are auditing their suppliers without working with local NGOs or trade unions and are not transparent about the outcomes of their audits.
- >> Computer brands are continuously bargaining for low prices with their suppliers and yet demand that they maintain good labour conditions. Computer brands do not reward suppliers for improved labour conditions.
- >> Workers have no knowledge of the computer brands' codes of conduct and are not aware of their rights.

MAKE IT FAIR!

Big brand electronics companies need to take responsibility for the labour violations that occur in their supply chain. makeITfair calls on computer companies to amend their codes of conduct, to train their suppliers in implementing these codes, and to improve auditing and monitoring systems. They must enable suppliers to improve working conditions by negotiating fair prices and working with local NGOs and trade unions. makeITfair also urges companies and their suppliers to recognise workers' rights to form or join trade unions.



IF YOU WANT TO READ MAKEITFAIR'S REPORT ON WORKING CONDITIONS IN THE PHILIPPINES, PLEASE VISIT

www.makeITfair.org