



## Remedy Proposal for Cal-Comp Workers

21 February 2019

### Summary

- Migrant workers from Myanmar at Cal-Comp Electronics (Thailand) pay about 500,000 Kyat (€290) to 1,500,000 Kyat (€860) in recruitment-related fees and expenses, equivalent to 30-90 days of wages. Workers are at risk of forced labour through debt bondage.
- These payments violate Myanmar legal standards, international standards of ethical recruitment, the Responsible Business Alliance (RBA) Code of Conduct and similar codes of buyers. The RBA code states: “Workers shall not be required to pay employers’ or agents’ recruitment fees or other related fees for their employment. If any such fees are found to have been paid by workers, such fees shall be repaid to the worker.”
- While working conditions have improved in some respects over two years, attempts to prevent excessive recruitment payments have not yet been effective. Recent evidence shows workers being coerced to report to auditors and third parties only a fraction of what they pay to get a job at Cal-Comp.
- There is an urgent need to:
  - Fully reimburse all workers for illegal and excessive recruitment fees.
  - Prevent future exploitation of migrant workers through zero-cost recruitment in accordance with the widely endorsed Employer Pays Principle.
  - Provide a strong demand-side market signal to stimulate the employer and agencies to “get it right the first time” with zero-cost recruitment.
- Proposed solution:
  - Reimburse all new migrant workers recruited in Myanmar 1,000,000 Kyat (€575) immediately upon their arrival at Cal-Comp.
  - Reimburse veteran migrant workers recruited in Myanmar the difference between any amount already reimbursed and 1,000,000 Kyat (€575).
  - Reimburse “U-turn MOU workers” 15,000 Baht (€420) or the difference between what they have received and 15,000 Baht.
  - Commit immediately and publicly to a policy of zero cost recruitment whereby recruitment agents do not charge workers fees and Cal-Comp pays migrant workers’ total recruitment-related service fees and expenses in advance.

### Proposed Remedy

*Because migrant workers at Cal-Comp are still being charged excessive recruitment-related fees and costs, and as some workers have been indebted for an extended period of time carrying long-term high interest loans that cause an increased risk of debt bondage and forced labour, Electronics Watch and MWRN urgently propose the following steps to ensure remedy for Cal-Comp’s workers.*



1. Until Cal-Comp has developed and implemented a verified and genuine zero-cost recruitment policy, whereby no migrant worker pays to get a job at Cal-Comp in accordance with the RBA “Definition of Fees,” all new workers at Cal-Comp should be reimbursed 1,000,000 Kyat (€575) immediately upon arrival at Cal-Comp. No worker should be required to present receipts to receive the reimbursement.
2. All Cal-Comp migrant workers recruited from Myanmar who have been partially reimbursed recruitment-related fees and costs should receive additional compensation at an amount equal to the difference between what they have already been reimbursed and 1,000,000 Kyat.
3. Workers who entered into Thailand irregularly and found work at Cal-Comp or regularized their immigration status through Cal-Comp and who later returned to Myanmar as Cal-Comp employees in order to renew their passports (the “U-Turn” MOU process) should receive 15,000 Baht (€420). Workers who have already received partial reimbursement should receive the difference between what they have received and 15,000 Baht.
4. Cal-Comp should invite MWRN to monitor and verify this reimbursement process. MWRN is an independent civil society organisation with expertise in migrant worker recruitment issues and enduring and trusting relation with Cal-Comp’s migrant worker community. MWRN’s role should be to confidentially interview workers, examine material evidence of reimbursement and report any irregularities to Cal-Comp, its buyers, and independent monitors.

*To mitigate risk of debt bondage and prevent future breaches of Thai and Myanmar laws, international standards of ethical migrant worker recruitment, as well as the RBA Code of Conduct and buyers’ codes of conduct, Cal-Comp should also:*

5. Clearly and unequivocally communicate to all workers that they should report their full recruitment-related fees and costs to any auditor or third party that may inquire, and assure each worker that they will not risk their jobs by doing so.
6. Commit publicly to a policy of ethical and zero cost recruitment whereby recruitment agents do not charge workers fees and Cal-Comp pays migrant workers’ total recruitment-related service fees and expenses in advance, whether incurred in Thailand or in Myanmar, in accordance with RBA’s Definition of Fees and international ethical recruitment standards.
7. Enter into written agreements with recruitment agents stating that Cal-Comp is responsible for all recruitment-related service fees and expenses in accordance with RBA’s Definition of Fees, and specifying the amount that the recruitment agents will charge Cal-Comp for recruitment of workers and related expenses, including a reasonable and sustainable profit for the agents.
8. Price the cost of zero cost recruitment into quotations for buyers and provide buyers evidence of payment of these costs, thereby creating transparency on costing and an agreement that can be audited and contractually enforced.
9. Cease using the services of recruitment agencies in Thailand and Myanmar that have consistently charged migrant workers unlawful and excessive recruitment fees and been complicit in coercing workers to report only the legally permitted 150,000 Kyat service fee to auditors or third parties. Cal-Comp should work with migration experts, such as MWRN, to develop relations with new recruitment agencies in origin countries who can demonstrate policy and practices that ensure ethical and zero-cost recruitment. Cal-Comp should incentivise good practices, for example through long-term contracts and improved payment terms. Cal-Comp should directly manage recruitment-related activities in Thailand without the use of Thai agencies.
10. Together with New Kinpo Group, launch an internal investigation into potential misconduct by any of its staff or agents involved in abusive recruitment-related practices. Officials proven to have been involved in misconduct should be appropriately sanctioned. Investigative findings should be shared with buyers and independent monitors.



## Annex: Main Recruitment-Related Fees and Costs

Please refer to the [Cal-Comp Compliance Report](#) for a full accounting of findings on recruitment-related fees and costs.

Summary findings based on research conducted August-September 2018:

- **Passport fees:** 25,000 to 250,000 Kyat (€14 to €140) for the process of applying for and receiving a Myanmar passport.
- **Agency fees:** 150,000 Kyat (€87) to registered Myanmar recruitment agents as a service fee to secure jobs at Cal-Comp. Myanmar recruitment agents are prohibited by law from charging more than 150,000 Kyat.
- **Sub-agency fees:** 300,000 to 1,200,000 Kyat (€170 to €690). Workers reported paying most of the expenses or fees for recruitment to local subagents, either registered or unregistered.
- **Transportation costs:** 20,000 to 70,000 Kyat (€12 to €40).
- **Total:** 495,000 (€283) to 1,670,000 Kyat (€957)

MWRN ongoing monitoring in November and December 2018 reveal similar costs to migrant workers. In November, a Cal-Comp recruitment agent advertised a cost of 750,000 Kyat (€430) in recruitment service fees on Facebook. In December, new workers reported paying between 700,000 and 1,100,000 Kyat to subagents in Myanmar. They only received a receipt for the 150,000 Kyat official fee. Workers report that agents and subagents told them to report only the 150,000 Kyat fee to auditors.

## MOU U-Turn Passport Renewal Fees

Workers who went through the MOU U-turn passport renewal process reported paying from 7,500 to 18,000 Baht (€210 to €500) to Thai agents, either prior to return to Myanmar or partly before (3,000 to 5,000 Baht) and partly after (7,000 to 10,000 Baht) their return from Myanmar to Thailand. Recruitment agencies in Myanmar said they were unsure how much workers paid in Thailand for this process but estimated between 13,000 to 15,000 Baht (€342 to €395). Workers who were involved in the MOU U-Turn process likewise reported paying initial recruitment-related fees when they applied for work at Cal-Comp of between 3,000 to 7,000 Baht (€80 to €200).