

Debt bondage remedied through joint action



Recruitment intermediaries collect fees from the workers in cash. Screenshot from worker video.

Brand: Konica Minolta, HP, Cal-Comp

Products: Laserjet and inkjet printers, photocopiers

Factory: Allied Precision Technologies (M) SDN BHD

Location: Melaka, Malaysia

In October 2022, a Nepali migrant worker at Allied Precision Technologies in Melaka, Malaysia was abducted by company representatives and deported for complaining about recruitment abuses. After two years of pressure to provide remedy, Allied began cooperating in a corrective action process. Thanks in part to this pressure from affiliates, human rights activists and some of the linked brands, all the affected workers have now been fully reimbursed for the recruitment fees that they paid.

Monitoring and findings

The worker who was abducted reported to Migration Dristi, an Electronics Watch monitoring partner, that he had been targeted for speaking out about recruitment abuses. He was forced into a car and locked alone in a room overnight, in fear for his life, with no way of communicating with the outside world. He was repatriated the next day.

The abuses he complained of included paying fees of roughly 300,000 Nepalese rupees (€2,000) to recruitment intermediaries in Nepal. Although the monthly base wage was only 1,500 Malaysian Ringgit (€300), the intermediaries told workers that they would receive up to 4,500 Ringgit (€900) per month. Even with overtime, workers could only have earned between 2,000-2,500 Ringgit (€420-520). Workers also paid the cost of medical examinations, Covid tests, transportation and in-transit subsistence, pre-departure orientation, and passport fees. They received no receipts. In some cases, money lenders in Nepal required workers to sign loan documents stating they borrowed three times the amount they actually borrowed.

Remediation process

In October 2022, Electronics Watch notified the Responsible Business Alliance (RBA) about the forced repatriation. In February 2023, with the help of an NGO in Nepal, the worker who was abducted received a charitable contribution from the RBA equivalent to the wages that he would have received under his contract (about €4,000), and reimbursement of the recruitment fees he paid.

Electronics Watch made a second urgent action request to the RBA in February 2023 after workers reported being threatened by a local recruitment agent. The RBA convened three major buyers, including HP, which insisted that reprisals against workers were unacceptable.

An RBA audit in February 2023 confirmed that workers had paid recruitment fees and an independent investigation in August 2023 established the amounts to be repaid. Electronics Watch, the RBA and linked brands – encouraged by their public buyer customers and human rights activists – escalated their pressure on Allied. In February 2024, Allied agreed to repay the recruitment fees according to the amounts stipulated in the RBA investigation.

During June and July 2024, Electronics Watch worked with Migration Dristi to locate all those eligible for reimbursement, including absconded¹ workers. In October 2024, the 203 affected migrant workers at the Melaka factory confirmed that they had been reimbursed. This case triggered an investigation at another Allied factory in Malaysia, resulting in a further 178 migrant workers being reimbursed.

^[1] 'Absconded' is the term used by authorities to refer to migrant workers who leave their employer prior to completion of their employment contract or without permission, usually because of abusive conditions.

Key takeaways

➤ **Monitoring by organisations that workers trust is essential**

In this case, workers alerted Migration Dristi to labour abuses. After collecting evidence, it consulted workers, and represented their interests in the remediation process facilitated by Electronics Watch and the RBA.

➤ **Migrant workers are disproportionately vulnerable to forced labour**

Deception by recruiters about wages led migrant workers to take jobs at Allied that they might otherwise not have accepted. Taking out loans to pay recruitment fees placed them in debt bondage. Once at Allied, low wages made it difficult for workers to repay their loans and, therefore, to leave.

➤ **Workers who speak out often face retaliation**

The worker spokesperson was abducted, held overnight and deported. His visa and contract were terminated without due process, and his airfare was deducted from his wages. Other workers were harassed by local recruitment agents, who threatened that they would lose their jobs if they spoke out.

➤ **The combined leverage of public buyers and their suppliers is crucial to obtaining remedy**

Affiliated public buyers, HP, Cal Comp and Konica Minolta used their leverage to hold Allied accountable for providing remedy to the affected workers.

➤ **Timely remedy is crucial, but remains rare**

Workers' rights violations in this case were very serious, but it took almost two years to secure remedy. The speed of remediation can be dependent on the level of cooperation of the implicated companies as well as the degree of coordination among other actors. Allied's reluctance to cooperate contributed to the delays.

➤ **Workers stand up for their rights and support each other**

The abducted worker acted as a representative for his colleagues because he could speak English. When he went missing, they protested and demanded to know where he was. They only returned to work when threatened with jail.