



# IT workers no longer paying to get a job

Case study



Responsible public procurement.  
Rights of electronics workers.

**After a three-year investigation that led to the largest ever IT supply-chain settlement for migrant workers – more companies are paying people back – and faster.**

**Two suppliers to the largest electronics manufacturer in Thailand, Cal-Comp, have started paying back fees charged to migrant workers to secure work following its own landmark, multi-million Euro settlement in 2019.**

An initial, three-year, worker-driven investigation found people working at Cal-Comp had paid excessive or unlawful fees of hundreds of Euros to recruiters before starting work, which would take them years to pay back.

After significant negotiations between Electronics Watch, the Migrant Workers Rights Network (MWRN) and the Responsible Business Alliance (RBA), Cal-Comp agreed to fully compensate its workers.

Since the maker of printers, external hard drives and other hardware agreed to make its €5 million settlement, worker pressure among other suppliers in the area has mounted, and a 'ripple effect' has been created in the IT supply chain.

At one supplier, workers heard about the Cal-Comp payout and contacted MWRN, and in late 2020 Electronics Watch filed a worker rights complaint to buyers. In just seven months, the company paid workers back more than they were initially charged.

By Summer 2021, workers at yet another supplier reported to MWRN that their factory had announced a plan to reimburse its workforce too, without the workers having submitted an official complaint.

Along with the significant recruitment fees, workers face risks if they are suspected of whistleblowing. At one supplier, workers suspected of contacting MWRN were told they would lose their jobs, without being given a legitimate justification. The supplier withdrew its threat of termination after continued pressure from Electronics Watch and MWRN, and intervention from buyers.

Despite the risks, these workers wanted information to be shared with IT buyers.

A representative of workers at this supplier said:



“We want what any worker, anywhere in the world, wants – to work for a company that supports and protects us, protection for those who speak out when it doesn’t, and for people in positions of power to be held to account when things go wrong.”

“We are pleased that the information we’re collecting about our working lives is making its way to buyers, who also hold such powerful positions, so they know what they need to do if they want the products they buy to reflect the values that their organisations are committed to.”

Angus Warren, director of Advanced Procurement for Universities and Colleges, which buys IT on behalf of Scotland’s 60 higher- and further-education institutions, said:



“I am delighted to see that further to the Electronics Watch activity, resulting in Cal-Comp repaying agency fees to workers, this now appears to be having a ripple effect with manufacturers further into the supply chain.”

“It is great to see the initial activity has given workers the confidence to work with our monitoring partners to ensure workers’ rights are respected and is a testament to this worker-driven monitoring approach.”

There are tens of thousands of migrant workers in the electronics industry and other industries in Southeast Asia who face forced labour risks after they pay recruitment fees and take out high-interest loans, which they must pay back before leaving their jobs. Electronics Watch calls on all companies involved to adopt zero-cost and ethical recruitment policies so migrant workers never pay to get a job. When they have paid these fees workers must have a central role in determining the remedy.

# Cal-Comp case

Cal-Comp is one of the largest employers of Myanmar migrants in Thailand and – in November 2019 – it fully paid compensation to 10,570 workers who were charged recruitment fees.

During three years of worker-driven monitoring and corporate engagement by Electronics Watch and the Migrant Worker Rights Network (MWRN), people working at Cal-Comp were found –to have paid between 500,000 Kyat (€290) and 1,500,000 Kyat (€860) to recruiters before starting work.

As these migrant workers are only paid €8 or €9 per standard nine-hour shift in factories, and are often accruing interest on loans to cover such fees, they could be working for years before paying back any outstanding recruitment debt.

Eventually, Cal-Comp appointed an external auditor that verified the claims of its workers.

The Cal-Comp investigation also highlighted:

- These fees, paid to subcontracted agencies on both sides of the border, for everything from medical assessments to transport, violate local and international standards of ethical recruitment.
- Workers were found to have had identity documents withheld and were coerced into telling auditors that any payments were within legal limits.
- Such fees leave this economically vulnerable workforce at risk of forced labour, particularly if they wish to leave their job or turn down overtime hours.
- Changes were made to employment law in Thailand, but there is evidence that relevant agencies then resorted to hidden kickbacks.

Electronics Watch and MWRN are committed to documenting the migration experiences and working conditions of people in this sector. In dialogue with Cal-Comp, its buyers and the RBA, other improvements made following the investigation include:

- Since 2016 under Thai law, workers must be employed by Cal-Comp, rather than through agencies.
- Since 2017, migrant workers employed by Cal-Comp hold their own passports and work permits.

This kind of industry engagement – supported by Electronics Watch affiliates and backed up by their communication with suppliers – is central to changing the lives of IT workers.

**Electronics Watch** is an independent monitoring organisation that helps public sector organisations work together, and collaborate with civil society monitors in production regions, to protect the rights of workers in their electronics supply chains. Monitoring partners conduct worker-driven monitoring, with the goal of strengthening workers' own voices to report on and address labour and safety issues in their factories.

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