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Sweatshop smartphones

Working conditions in the electronics industry are even worse than in textiles

It's a world of women, and none of them are flourishing. They work for top brands in futuristic labs, producing the snazziest gadgets on the market. They've swapped muggy rice fields and sparse mountain pastures for the buzz of factory life, but some now yearn for home.

The images of husbands and children searching for their loved ones among the dusty rubble of the collapsed Bangladeshi textile factory, Rana Plaza, remain etched on our memory. Yet we delude ourselves that those producing our laptops and smartphones are doing ok.

When I put this to 28-year-old Nga (not her real name) from Northern Vietnam's Ha Giang mountains, she is incredulous. "Everyone knows we work under the worst conditions out there", she says. She's already endured five years of it. Today, yet again, she didn't make it home until 11pm. She's currently works a daily 15-hour shift on the production line for a new Bluetooth headset, during which she never gets to sit down. Like nearly all the women working for this Korean supplier in South Vietnam she endures swollen, painful legs and kidney pains on a daily basis. She usually manages to squeeze in a single toilet break at lunchtime, but the tight cycle of the assembly means she can't go during working hours. The toilets are the other side of the factory, and require a change of clothes. That's why she gave up drinking at work a long time ago. That's why they've all got bladder infections here, often chronic.

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Nga and her female colleagues often talk about quitting. Miscarriages are a constant topic of conversation. Many of the young women complain they can't even get pregnant. They suspect it's the chemicals running through pipes in the walls, keeping the assembly hall free from dust. The women know little about their employer. They're given regular health checks by a private company, but their test results are passed on only to the personnel department, not

the women themselves. Recently, a sympathetic nurse told Nga in private that her blood readings had deteriorated badly.

A cry for help on Youtube

“We know what goes on”, says Nga, playing me YouTube clips on her smartphone. In the secretly posted videos, crying women working at other electronics companies tell the same tales. One video is from Foxconn, Apple’s Taiwanese supplier in China, where just last August yet another shift worker jumped to her death – the fourteenth suicide. Others speak of their misery at Samsung in Vietnam, home to 86% of its total 150,000 strong workforce. But concrete information about the conditions there is difficult to obtain. A big investor, the corporation maintains good contacts in the government and ensures its factories are protected from the prying eyes of government inspectors. Threats from trade unionists and security staff prevent workers from coming forwards. If needs be, supervisors will slip potential whistle-blowers the latest smartphone as hush money.

Where official information is not forthcoming, informal evidence from workers helps fill in the gaps. Interviews with women such as Nga show it’s normal to put in hundreds of hours of overtime a month during the first production quarter of a new mobile phone. In the fourth quarter, production drops to just 25% of its initial volume, and there’s barely enough work to go round. Then the hectic madness begins all over again with a new model.

An inverted market

To understand why Nga’s gruelling work schedule is “business as usual”, you need look only at the value chains, market access and grotesquely distorted global competition.

“There are very few buyers in the electronics industry”, explains Dr. Do Quynh Chi, author of a recent study on labour standards compliance in Vietnam. “These are Samsung, Apple, LG and a handful of other big corporations, for whom thousands of suppliers around the world produce highly specialised parts”.

According to Chi, the suppliers are therefore entirely at the mercy of the mega buyers, who dictate price and productivity. It’s a cut-throat business.

Chi blames this “buyer’s monopoly”, known as “monopsony” for the inhumane conditions endured by workers. Monopsony turns the market squarely on its head: rather than a few producers finding many buyers, many producers find only a few buyers. This is why workers in the textiles and garment industry, who have received more protection from the West since Rana Plaza, are faring comparatively better. A supplier in this industry may have seamstresses working on items for both Primark and Armani, and will therefore have more room for negotiation. International trade union initiatives such as the “Bangladesh Accord” are also helping boost working conditions for the women who make the clothes.

Yet isolated initiatives merely act as a sticking plaster over a festering wound. According to Chi, the dismantling of trade barriers and tariffs, along with classical neoliberal free trade agreements (FTAs) with Asian nations producing cheap goods feeds borderless competition in all export sectors. The massive power divide between a global corporation at the top of the value chain and its Asian suppliers at the bottom inevitably leads to lower and lower production costs. The more these decrease, the more they erode profits, wages, safety in the workplace and ultimately human rights in countries such as Cambodia, Bangladesh and Vietnam.

Race to the bottom

Instead of the economic advancement that industrialisation once promised to bring, the exporting nations are engaging in a rapid “race to the bottom”, observes Marc Anner from the Global Labour University. He says that if price pressure leads to wage pressure at the bottom end of the value chain, Nga and her female colleagues will remain poor, despite their daily 15-hour slogs. In the Global South, globalisation is failing to live up to the hype.

In developing countries with investor-friendly laws, overburdened supervisory authorities and low wage standards, competition is giving rise to one new plant after another and to massive investment projects by supplier businesses from other, primarily East Asian, countries. Electronics giants in particular, with their eager and faithful subjects, are big business. It’s not uncommon for them to offer the host government several hundred thousand jobs per product line. Young women such as Nga, bereft of opportunities in their native villages, see this as their ticket to a independence and a wage of their own.

A single country is powerless in the face of the behemoth that is world trade. Only external pressure, such as a US and EU ban on products manufactured under exploitative conditions, will make a difference. The

Trans-Pacific Partnership (TPP) negotiated under Barack Obama was a step in the right direction, with its minimum wage and health and safety requirements, as well as calls to end child and forced labour. Those plans, however, were firmly put to rest when Donald Trump in his first week as US president announced he was scrapping the deal. This is where the EU needs to step in, says the International Labour Organisation's Chang Hee Lee, enforcing social and environmental standards through new trade deals with TPP member states. He says the TPP has left plenty of "room for improvement", particularly on its sustainability chapter. China is pushing its own trade deal with its Asian neighbours, with likely scant regard for social and environmental concerns.

In Brussels, EU trade officials seem content with declarations of intent. Whilst the European Commission frequently calls for better standards and environmental protection in its trade relations, it rarely takes concrete action that will make this happen, such as imposing sanctions for violations of workers' rights.



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