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METAL WORLD

MEXICO: THE FIGHT FOR A REPRESENTATIVE UNION

FEATURE
PERSECUTION OF UNIONS
IN RUSSIA TODAY

SPECIAL REPORT
ORGANIZING ELECTRONICS
WORKERS

PROFILE
YOLANDA MORÍN



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THE GS'S CORNER

CAMPAIGNING FOR TRADE UNION RIGHTS

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One of IMF's key tasks is to make sure that all workers have the right to join a union and freely negotiate a collective agreement. Whenever violations occur, we take rapid action. Mexico and Russia are among countries that require broader campaigns.

In Mexico, the Mexican government and the country's largest mining company, Grupo México, have systematically colluded to crush IMF affiliate, the Mexican Miners' and Metalworkers' Union (Los Mineros, SNTMMSRM). Ever since the attacks on the union began in 2006, IMF affiliates around the world have taken action in defence of basic labour rights and union autonomy in this major country.

Why has Los Mineros been attacked? Because the union has broken the mould of the corrupt Mexican labour relations system,

where workers in most cases do not even know they have a union and a collective agreement. These agreements are ironically called "protection contracts". They protect companies from unions.

IMF is working with an alliance of Mexican and international organizations to denounce the use of protection contracts, which deny workers their right to form and join a union of their choice.

IMF has also brought these violations to the attention of the International Labour Organization in a second complaint on Mexico (case No. 2694). This complaint demands that the Mexican government ends the use of protection contracts, which are in direct contravention of ILO Convention 87 on Freedom of Association.

As part of its campaign on trade union rights in Mexico, IMF continues to support Los Mineros and other unions in their struggle. The situation remains difficult.

At Johnson Controls in Puebla, Mexico workers and activists have been sacked, harassed and violently attacked, when attempting to improve working conditions and establish a representative and independent union at the auto parts factory (see pages 8-13).

Russia is another country where IMF is campaigning in response to escalating violence and attacks on unions, their leaders and members. The IMF supported a complaint to the ILO that was lodged by the All-Russia Confederation of Labor (VKT) and the Russian Labor Confederation (KTR) in January.

As explored in pages 14-18, trade unions in Russia are resisting the increasing persecution. The Russian government is moving to criminalize genuine trade union activities and remove what little protections remains in the law. What happens in Russia is of vital importance as transnational companies move into this strategic market and given the political influence this country has.

In addition to Mexico and Russia, IMF is focusing its campaigns on Turkey, South Korea, the Philippines and Colombia. International solidarity action on these six countries will have a wider impact on trade union rights in the whole world.

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MEXICO: THE FIGHT FOR A REPRESENTATIVE UNION

Protection contracts are routinely used in Mexico in violation of workers' rights. Like many others, Carmen and Jorge are faced with intimidation and violence as they try to gain reinstatement at Johnson Controls in Puebla and form a union that genuinely represents them.

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PERSECUTION OF UNIONS IN RUSSIA TODAY

Violations against fundamental trade union rights are on the rise in Russia and the government is failing to investigate and rectify them. When Dmitri and Alexander lodged complaints about violations at their workplace, the authorities investigated the union.

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YOLANDA MORÍN

Yolanda Morín strongly believes the IMF should develop trade union networks to protect workers' rights all over the world. As the international secretary at the Confederación Sindical de Comisiones Obreras (CC.OO) in Spain, she believes one should be ambitious about what can be done in conjunction with the IMF.



International Metalworkers' Federation

The International Metalworkers' Federation represents the collective interests of 25 million metalworkers from more than 200 unions in 100 countries.

The IMF represents blue- and white-collar workers in industries such as steel, non-ferrous metals and ore mining, mechanical engineering, shipbuilding, automobile, aerospace, electrical and electronics.

The IMF aims to improve metalworkers' wages, working and living conditions and to ensure that metalworkers' rights are respected.

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May Day 2010, Jakarta, Indonesia

Around the world workers demanded reform of the global economy and investment in quality employment on **May Day**. Some 200,000 Turkish unionists gathered in Taksim Square, Istanbul on May 1st for the first legally sanctioned action there in 30 years, demanding their right to freedom of association. At a massive rally in Jakarta on May 1st the Indonesian labour movement called for the revision of social security laws.

TRADE UNION RIGHTS

On the eve of the historic May Day march in Taksim Square, representatives from seven global union federations, including the IMF, met with affiliated unions to coordinate ongoing solidarity actions and to highlight the global union movement's determination to defend workers' rights in **Turkey**.

Sinter Metal workers and members of IMF affiliate Birleşik Metal-İs went on a hunger strike for four days in March to demand reinstatement and a ruling by the court on their unfair dismissal case of December 2008. The Turkish Labour Ministry found that the dismissals were not motivated by the economic crisis. The judge hearing the company's appeal postponed a ruling on the case for the 7th time to August and the struggle continues.

IMF, **Mahle** Works Council and Mahle Management Stuttgart signed a protocol in April to ensure basic workers' rights in all Mahle plants in Turkey. The agreement will ensure no worker will be negatively affected when organizing a democratic union at Mahle. The protocol came in response to past cases of dismissals that Birleşik Metal-İs experienced when organizing workers.



May Day 2010, Taksim Square, Turkey

Not satisfied with an existing protection contract, workers at **Johnson Controls** in Puebla, Mexico are trying to establish an independent and democratic union. The workers were harassed and attacked in April by people from the existing union, CROM. The use of protection contracts, including this case, is the subject of an IMF complaint to the International Labour Organization lodged in January 2009. Case No. 2694 calls on the Mexican government to stop violating freedom of association and end the use of protection contracts. See the feature on page 8 for more details



Solidarity with Mexican miners

At its convention in May, the **Mexican Miners' Union** decided to continue its four year struggle for trade union autonomy and an end to Grupo Mexico and Mexican government abuse. An international delegation, including the IMF, attended the Convention and expressed support for the miners on strike since July 2007 at the Cananea mine over health and safety violations. A federal court decision in February gave Grupo Mexico permission to fire the striking workers, effectively eliminating the right to strike in Mexico.

Several Interregional Trade Union of Autoworkers materials, including a leaflet on precarious work, were deemed 'extremist' by a **Russian** district court. The ruling came after a prosecutor's office failed to investigate the union's complaints about poor working conditions at 'Tsentrosvarmash' plant in Tver and instead investigated the union. This case was one of several included in a complaint lodged in January with the

International Labour Organization by the All-Russia Confederation of Labor (VKI) and the Russian Labour Confederation (KTR) and supported by the IMF. See the feature on page 12 for more details



Russian workers picket mining company

Workers of the Alexandrinskaya Ore Mining Company in Chelyabinsk, Russia picketed the company's office in Ural in April protesting its anti-union behavior. For several months the local branch of the **Miners' & Metallurgical Workers' Union** of Russia has been under strong pressure with layoffs targeting trade union activists. Deputy chair of the union committee, Natalya Kniazkova, was dismissed twice. Both times she was reinstated upon court orders. However, a new order of dismissal has been issued against her.

Workers at the Nissan plant near Saint-Petersburg, Russia formed a union affiliated to the **Interregional Trade Union of Autoworkers** (ITUA) in April. Nissan management committed to good faith negotiations with the new union. Meanwhile, ITUA action resulted in an agreement at the Ford Motor plant in Vsevolozhsk, Russia in March, which includes an 11.8 per cent wage increase and additional job guarantees. Elsewhere, Evgeny Ivanov, ITUA union leader at a GM Auto plant in Saint-Petersburg, was reinstated after the district court ruled on March 15 that management's decision to fire him was illegal.

BAN ASBESTOS



Indian workers call for ban on asbestos

Global Unions commemorated Workers' Memorial Day on April 28 with a delegation visit to the Canadian mission in Geneva demanding a **ban on asbestos** exports to the developing world, particularly in Asia. The same demand was made by the Australian Manufacturing Workers' Union in a visit to the Canadian embassy in Sydney on April 28. On the same day in India a delegation of IMF and BWI representatives delivered a note to the Prime Minister of India demanding an immediate ban on all asbestos imports, noting that industrialized countries such as Canada have stopped using asbestos but continue to dump it on countries like India.

TRANSNATIONAL COMPANIES

IMF held its first meeting of the Working Group on Trade Union Networks in Transnational Companies (TNCs) in Geneva in May to discuss a concept and guidelines for trade union networks in TNCs. This meeting is part of a bigger strategy on building a counterweight to TNCs, which includes the creation and maintenance of functioning networks and mechanisms to ensure regular exchange of information, development of joint initiatives and common platforms, building solidarity, organizing unorganized plants, joint union action and contacts with the real decision-makers within the enterprises.

Over 70 trade union delegates from around the world agreed to strengthen their cooperation and create a global trade union network at **Caterpillar**, the world's largest manufacturer of construction and mining

equipment, at a meeting in France in April. Participants agreed to deepen the exchange of information on the situation in the various countries, work together to promote workers' rights at Caterpillar, its suppliers and sub-contractors throughout the world, and develop joint initiatives and action.



Tenaris: Colombian union president addresses Italian workers

An IMF delegation of **Tenaris** delegates and union representatives of the Tenaris Workers' World Council visited Colombia in February/March, in solidarity with workers at the Tubos del Caribe plant in Cartagena, Colombia and their union SINTRATUCAR. The World Council condemned the death threats against the SINTRATUCAR executive committee, which was reiterated by workers at the Tenaris Bergamo plant in Italy when SINTRATUCAR president Jairo del Rio visited the plant in April.

The local union at **Leoni** Wiring Systems plant in Lviv, Ukraine won a legal battle in January with the district court ordering the company to reinstate local union leader, Vladimir Shikitka. Despite the company being signatory to an international framework agreement with IMF on respecting workers' rights, Leoni sacked Shikitka in violation of the agreement and Ukrainian labour law. After four hearings the district court ordered Leoni to immediately reinstate Shikitka, pay him an average wage in arrears and compensate all legal expenses.

Shop stewards and trade union delegates from the production sites of the **ArcelorMittal** controlled SONASID in Morocco met in Casablanca with a delegation from IMF in January. Concerns were expressed about the serious deterioration of industrial relations and the company's unwillingness to negotiate with the union. Shop stewards were saddened at the news that one more worker, the sixth since the beginning of this year, died at an ArcelorMittal production site in Spain. The Joint Global Health and Safety Committee of ArcelorMittal that met in South Africa, later in January, called for greater vigilance from management, unions and workers to prevent further fatalities.

Mediated discussions between the United Steelworkers (USW) and **Vale** Inco in Canada were resumed in April. Nearly 3,500 USW members in Sudbury and Port Colborne have been on strike since July 13, 2009 after the company tried to get drastic reductions in conditions and increased job insecurity in a new collective contract. Despite having made US\$13.2 billion profit in 2009, Vale is insisting on creating a two-tiered pension plan, slashing the nickel bonus and seriously damaging seniority rights.



Protestors at Rio Tinto AGM, London

Some 70 protestors from the UK, Netherlands, and Belgium demonstrated with locked-out members of the U.S. International Longshore and Warehouse Union (ILWU) in London at the Annual General Meeting of **Rio Tinto** in April. The global mining company maliciously locked 560 members of ILWU Local 30 off their jobs on January 31 in Boron, California, before reaching an impasse in collective bargaining.

ELECTRONICS

IMF affiliates from 15 countries representing workers in the ICT, Electrical and Electronics industries at IMF's conference on 'Organizing, Trade Union Rights and Sustainability' gave the highest priority to organizing as the best means of safeguarding workers' rights. Delegates determined that unions need to continue to develop specific strategies to organize different groups of workers, including women, young people, non-manual workers and precarious workers. See special report on page 18 for more details

Young Fast Optoelectronics in Taiwan, an electronics company that supplies to Samsung, LG, HTC and Google, sacked five union leaders and ten union members in March after the newly-established union raised complaints about rampant illegalities at the company where workers endure sweatshop conditions. IMF sent letters of protest to the company and the government in support of Young Fast Optoelectronics Trade Union's efforts to defend the workers' rights.



Protests against leukemia deaths at Samsung

Park Ji-yeon, a young worker from a **Samsung** semiconductor factory in South Korea died of leukemia on March 31 at the age of 23. Many other workers who used to work for Samsung have died with similar diagnoses. Korean unions and SHARPS activists insist it is an **occupational cancer** and demand accountability of the company.

Philips fired workers and paid higher bonuses to its top managers during the height of the financial crisis. In the last year Philips cut 5,474 jobs with many workers transferred to other jobs inside and outside the company. Meanwhile, the total cash amount paid to the board of directors grew from €830,720 in 2008 to €3,082,892 in 2009, protested the European Metalworkers' Federation.

AUTOMOTIVE



Workers at Bosch in India

Bosch workers and their unions in India secured wage rises in renewed four year agreements at two plants in Bangalore after a go-slow protest, which saw a 40 per cent drop in production at the plants, disrupted the auto industry dependent on critical parts from the plants. The agreements at the two plants include a raise of Rs8,000 (US\$180) per month and allows for the salary packages to come into retrospective effect from January 1, 2009.

In a major victory for IMF affiliate UAW, **American Axle and Manufacturing** Inc. was found in violation of the job security clause in its agreement with the union by an arbitrator in March and ordered to compensate the workers affected by its 2009 decision to outsource work to Mexico.

A job security agreement was reached by IG Metall with **Daimler** in Sindelfingen, Germany in December 2009 after management announced plans to shift the C-Class Model from the German plant to Alabama, USA. Following pressure from the works council together with IG

Metall, management signed an agreement excluding involuntary dismissals until December 31, 2019 for the entire workforce of the Sindelfingen plant.

COLLECTIVE BARGAINING

Wage agreements for the metal sector in **Sweden** saw IF Metall secure a 3.2 per cent wage increase to be granted over 22 months for its members. Unionen and Sveriges Ingenjörer reached an agreement with employers in the industry, chemistry and new technologies sectors that provides for a 2.6 per cent wage increase for non-manual workers.

The new metal sector minimum wage in **Slovenia** went from €562 to €724.51 gross after unions in January, including SKEI, SKEM and SKEIE, refused to accept wages that were less than the "subsistence basket".

IMF-JC secured wage rises from major manufacturers in **Japan** at a critical moment in its 2010 Spring Offensive in March. IMF-JC stated the metal industry was able to maintain its regular pay raise amount this year and that it had also secured gains for irregular workers.

Fellesforbundet announced in April that its metalworking members had voted in support of a new sector collective agreement in **Norway** for two years that is estimated to result in a wage increase of three per cent.

At a collective bargaining policy conference in Madrid in November 2009, all 75 affiliates of the European Metalworkers' Federation committed to pursuing for the next four years a bargaining agenda that addresses the negative consequences of precarious work. This second **EMF common demand on precarious work** follows a demand on training, launched four years earlier, that saw the issue of training being raised in a large majority of the relevant collective bargaining rounds that took place across Europe.

NON-MANUAL WORKERS

About one-third of IG Metall's local organizations have identified **non-manual workers** as one of their main lines of action for 2010. Structural changes in industry require that decisive action be taken to consolidate the union presence among this occupational group in Germany.

After several months of discussion, the IMF-affiliated Argentinean supervisors' union ASIMRA has reached an agreement with **Honda Motor** Argentina. The agreement sees ASIMRA recognized by management and commits the parties to negotiating a collective agreement in the course of 2010. ASIMRA is pushing for similar developments at other automotive companies operating in Argentina with the support of IMF.

TRADE AND DEVELOPMENT

International Labour Organization 2010 data on **employment trends** show that there is no hope that employment rates will return soon to pre-financial crisis levels. Furthermore employment conditions are deteriorating around the world, with a shift everywhere to precarious employment. The global crisis should and could be the opportunity to bring work back to the centre of the economy. Trade unions are demanding that a new model of growth centered on quality employment be the exit strategy from the crisis.

As the importance of Free Trade Agreements (FTAs) increases during this crisis of multilateral mechanisms, trade unions must ensure that **bilateral agreements** do not become a dangerously divisive issue and a cause of weakness for workers, concluded a meeting of the IMF's Working Party on Trade, Employment and Development held in India in February. Delegates discussed the social and economic impacts of FTAs and their potential challenge to solidarity.

In April, IMF joined the Canadian Auto Workers and the United Steelworkers in a call for proper consultation on and assessment of the impact of a **Canada-European Union** comprehensive economic and trade agreement. The unions and other civil society groups are demanding the full assessment of the impact the potential trade agreement would have on public policy, public services, the economy, poverty, gender, culture, human rights and the environment.

IMF ACTIVITIES



IMF regional meeting in Singapore

IMF engaged its affiliates in a detailed discussion on the implementation of its Action Programme during a series of **regional conferences** in Asia, Latin America and the Caribbean, and Africa during April. Delegates in each region discussed union responses to the financial crisis, building trade union unity at the global level and issues such as precarious work, climate change, networking, communications, gender, non-manual workers and international solidarity. Each meeting also looked at serious rights violations occurring in their respective regions, including in the Philippines, Mexico and Zimbabwe.

IMF unions in southern Africa discussed the issue of **climate change** and adopted a discussion document on the subject during their regional meeting in April. Delegates took the position that climate change is a reflection of the fossil fuel-based capitalist accumulation. The IMF is continuing to debate the issue of climate change after a flimsy non-binding agreement was reached at Copenhagen last year. IMF

and the International Federation of Chemical, Energy, Mine and General Workers' Unions (ICEM) will hold a joint conference on sustainability in Toronto in June.

Increasing economic strains combined with worsening health are only a few of the challenges facing **women workers** in Mozambique, an IMF gender workshop held in Maputo revealed. In December 2009, a total of 25 women workers were drawn together from various companies and plants in the surrounding area to attend the training workshop aimed at assisting women workers to strengthen their union, Sintime in the workplace.

A second survey on **precarious work** conducted by the International Federation of Chemical, Energy, Mine and General Workers' Unions (ICEM) and IMF shows a continuing increase in the number of workers employed on precarious contracts. The results, published in February, demonstrate the need to continue

to fight against the rise of precarious work.

SOLIDARITY

In the wake of the earthquake that flattened Port-au-Prince in **Haiti** on January 12, and killed up to 200,000 people, injured some 250,000 and made 1.5 million homeless, IMF joined others in calls to forgive Haiti's US\$1 billion outstanding debt. IMF affiliates sent money to the recovery effort in Haiti. Union contributions are being coordinated by the International Trade Union Confederation.

A special Commission of Inquiry of the International Labour Organization confirmed the **Zimbabwe** government is responsible for serious violations of fundamental rights, in particular concerning freedom to organize trade unions and to collective bargaining, the right to strike, and protection of trade unionists from discrimination. The findings were presented to the ILO Governing Body in March 2010.





FEATURE



Jorge Aguilar prepares a wall where a message to workers will be painted. Jorge was dismissed from Johnson Controls after demanding a revision of the wage contract and the existing "paper" union defend the workers from abuses by the company.

Photo: Blanca Velásquez

**MEXICO:
THE FIGHT FOR A
REPRESENTATIVE
UNION**



Text / Valeska Solis & Julio Pomar Translation / Chris Whitehouse
Photos / Blanca Velásquez Díaz & Julio Pomar



National trade union organizations, workers, non-governmental organizations and international trade union federations like the IMF are all fighting for trade unions that genuinely represent Mexican workers: unions that negotiate collective agreements, promote freedom of association and protect workers' interests. →





Jorge and Carmen participate in the 2010 May Day rally in Puebla. They were both dismissed from Johnson Controls and could not resort to the union – one of many “paper” unions with a protection contract in Mexico.

Photo: Blanca Velásquez



Carmen Sánchez Juárez and Jorge Isidoro Aguilar Lara are fighting to create an authentic trade union for themselves and their fellow workers at the United States transnational company Johnson Controls. They want a union that genuinely represents them, fights for them and with them, and does not simply pretend to do so, like the “paper” unions that for many years have operated at Johnson Controls and elsewhere in Mexico.

Carmen, Jorge and six of their colleagues were dismissed by Johnson Controls one and a half years ago because they demanded a review of the pay provisions of the collective agreement covering workers at the company. They had also started to get informed about their rights and called on the trade union that claims to represent them to protect them against company harassment and arbitrary management decisions. They discovered that the collective contract was actually a protection contract and the union claiming to represent them was no more than a “paper” union. In response, the company claimed it was no longer able to continue paying these six workers, ignoring the fact that four of the workers concerned are single mothers in urgent need of an income, however low the pay is at Johnson Controls.

Johnson Controls de Puebla is a subsidiary of a U.S. transnational company based in Milwaukee, which owns another 90 companies in the U.S., Mexico and other countries. In Puebla, the company manufactures seats for Volkswagen and this involves cutting and sewing cloth and leather, upholstering, making moulds and assembling polyurethane seat bases.

The company employs about 600 workers in Puebla. Working conditions are poor and shifts are 12 hours long.

Workers are contracted to work eight hour shifts but are forced to work longer hours from Monday to Saturday, while the company quibbles about overtime rates. Women receive lower pay than men for the same work. This serious discrimination against women is theoretically prohibited by the Mexican Constitution, the Federal Labour Law and the Anti-Discrimination Law but employers and labour authorities in every single state of the federation conspire to violate these laws, leaving no one to protect the victims of such workplace abuse. The company has a 5,000 peso (US\$410) life insurance policy for every worker but contributions to this policy are automatically deducted from wages. In addition, trade union dues are automatically deducted from wages every week – 32 pesos (US\$2.60) out of a daily wage of 198 pesos (US\$16.25).

WHY ARE 90 PER CENT OF COLLECTIVE AGREEMENTS IN MEXICO CONSIDERED “PROTECTION CONTRACTS”?

The situation at Johnson Controls is not an isolated case. More than 90 per cent of registered trade union agreements in the country are “protection contracts” signed by “paper” unions, providing protection for the company not the workers.

“Protection contracts” are bogus collective agreements that prevent democratization and collective bargaining. They are signed behind the backs of the workers by employers and intermediaries that are registered by the labour authorities and whose main objective is to prevent the emergence of genuine and representative trade unions. They also keep pay and benefits low, restrict workers’ rights and ensure labour relations that are advantageous to the company.

Characteristics of protection contracts include:

- They are reached between trade unions and employer representatives without being discussed or approved by the majority of workers covered by the same;
- They are reached by illegitimate parties that are not elected democratically by a majority of the workers they claim to represent;
- They are administered and/or revised without reference to a majority of the workers; and
- In some cases, workers are unaware that a “trade union” is representing them.

Although Mexican law allows there to be more than one trade union in a single company, this is rare. The corrupt and anti-democratic system, combined with anti-trade union management policies, make genuine unionization impossible. The system perpetuates itself because trade unions are required to request official recognition from the appropriate Conciliation and Arbitration Board (JCA), which is composed of representatives of the government, employer and the existing “trade unions” that sign protection contracts. Board members have an interest in maintaining the status quo and they create many obstacles to the registration of new independent trade unions. Consequently, in practice it is impossible to replace these “paper” trade unions, even though they do not have the support of the workers they pretend to represent. More serious still, workers who try to set up an independent trade union are often subjected to reprisals, intimidation, threats, violence, dismissal and blacklisting.

When establishing a new enterprise, many companies conclude a protection contract with a “paper” union before the first employee is even hired, effectively preventing employees from choosing the trade union of their preference. In most cases, these “paper” unions belong to a corporate lawyer who has officially registered the union. These “paper” unions are a legal simulation which defraud workers of their rights and represent a real obstacle to freedom of association. The “paper” unions go on to make a profit and earn money from the unprotected workers

“Protection contracts” are bogus collective agreements that prevent democratization and collective bargaining.

with companies paying between one to 3.5 per cent of the workers’ salaries to the owners of the “paper” union.

Protection contracts allow companies to take advantage of the absence of genuine trade unions and to exploit workers, violate their rights and maintain political and economic control over the workforce.

Protection contracts in Mexico were not a neoliberal initiative. They are a manifestation of anti-trade union policies that date back to the beginning of the 19th century when the government began to introduce legislation to control the trade union movement. During the 1960s, a few genuine trade unions tried to extend the principles of autonomy, freedom of association and trade union democracy but were constantly prevented from doing so by the labour authorities and legislation. Protection contracts became prevalent with the arrival in recent times of the transnational companies and assembly (maquila) plants in the country.

THE INTERNATIONAL FIGHT AGAINST PROTECTION CONTRACTS

The seriousness of this issue has led to international concern and a number of organizations are working to stop this practice at both the national and international levels. The International Campaign Against Protection Contracts in Mexico was created in March 2007 and its members include Mexican institutions such as the National Autonomous University of Mexico (UNAM) and international trade union organizations like the IMF.

The campaign’s main objectives are to identify, denounce and eradicate protection contracts. The campaign’s basic argument is that such practices lead to the establishment of bogus labour relations, bogus trade union organization and bogus collective agreements, a system in which control is exercised by pseudo-trade union leaders and corrupt employers. Trade union legislation makes this possible and makes illegitimate acts legal.

Protection contracts damage the trade union movement’s credibility and have a negative impact on living conditions. With no real union to represent them, the workers at Johnson Controls have not been able to effectively defend their interests. Johnson Controls in Puebla employed 800 workers two years ago but now employs 600. Half the workforce is now contracted by an outside agency called One DIGIT. Women have to stand all the time while working because there are no chairs on which to rest, and the working day is more than ten hours. One year ago,



Johnson Controls in Puebla

Photo: Julio Pomar

the company stopped the so-called “lunch box” of food provided when working late and do not allow workers to make telephone calls during working time. One year ago, one vehicle turned over while transporting workers from shift three, including pregnant women. This accident was caused by driver fatigue.

“PAPER” TRADE UNIONS WITH NO MEETINGS OR ARTICLES OF ASSOCIATION

Carmen is 49 and was born and lives in Teolochoelco, Tlaxcala. She has eight children, five girls and three boys, all teenagers, who either work or study. She has been married 28 years and has a secondary school education. She worked at Johnson Controls in Puebla for 11 years. She was dismissed because she joined an organizing coalition (COT-JC), refused to accept the demands being made on her on the production line, where managers want workers to work three times harder without proper remuneration, and criticized the existing union. When she was dismissed, she could not go to the union for help because the union is a paper union that is backed by the labour authorities. Companies use these unions to ensure cheap labour and no “labour problems”. Carmen now survives on what she earns from a few casual jobs and continues to attend training courses on issues such as women’s rights and labour rights. She also works at a small family shop and lives with some support provided by her husband.

There are never any elections to elect union leaders. These leaders just present themselves and tell the workers they are in charge.

increases of two per cent per year and, according to Jorge, were given 1,000 pesos (US\$82.36) as “profit sharing”. Carmen says: “How is it possible when Chicles Adams pays its workers 40,000-60,000 pesos (US\$3,290 - US\$4,950) for “profit sharing”?” Workers are entitled to six days annual holiday but many never take them because they prefer to work on those days in order to increase their incomes, however little the pay is. They also work on the bank holidays and obligatory rest days (such as national holidays) stipulated by labour laws, for the same reason - to obtain a few more measly pesos. Employees are covered by social security but the dismissed workers are not. The company pays an end of year bonus equivalent to more or less 20 days pay.

There are never any elections to elect union leaders. These leaders just present themselves and tell the workers they are in charge. The union at Johnson Controls is affiliated to the Confederación Regional Obrera Mexicana (CROM). Johnson Controls workers do not know how trade unions are supposed to conduct themselves but they know they want to organize themselves in order to protect themselves from the whims of their employer. That is why they want to join a union of their own choice, the Mexican Miners’ and Metalworkers’ union (SNTMMSRM). However the company has begun to take steps to intimidate workers to stop them from joining the SNTMMSRM.

According to the Centro de Apoyo al Trabajador A.C. (CAT), a labour support centre, workers at the company have been fighting for more than two years and learning about human and labour rights, in order to be able to exercise their right to freedom of association. The workers have formed an organizing coalition at the company (COT-JC). In 2007, some workers participated in the Comisión Revisora del Reparto de Utilidades (Profit Sharing Review Committee) and also demanded a new collective agreement but were dismissed without valid reason in June 2007. The company and the “paper” union in place have continued to harass workers since then and more workers have been dismissed.

CAT has revealed that the company is currently doing well. Production has increased and hours of work have increased to almost two full shifts. Some departments have begun to work on Sundays. The plant is working at 90 per cent of capacity, partly to ensure supply of parts for the new Volkswagen A6 model. The first hundred seats, made from leather, vinyl and cloth, came off the production line on April 16. The production managers, Jorge Sambrano and Ignacio Betz called a meeting with workers to thank them



Carmen at home with two of her daughters. Carmen has participated in trade union rights training, thanks to CAT, a labour rights centre based in Mexico, and now continues in the fight for reinstatement and a union that represents the workers.

Photo: Julio Pomar



Jorge is 33. He also lives in Teolochoelco, Tlaxcala. He is married with three boys, all teenagers who are at present studying. Jorge has a secondary school education. He was dismissed by Johnson Controls one and a half years ago for calling on the trade union that claims to represent him to protect the workers from company harassment and arbitrary decisions made by management.

Carmen and Jorge explained that employees sign individual contracts. They are told there is a collective agreement but they are never able to find out anything about it, let alone being able to have an input into negotiations about the terms of the agreement. This union has no articles of association, at least none that its members are aware of, and it never holds general meetings for the workers, although it has held occasional meetings on certain production lines or in certain departments.

The union has a health and safety committee, but this committee never meets. The workers have average pay



Jorge, after being dismissed, fixes cars in Puebla, and participates in the fight for the reinstatement of the dismissed workers and the establishment of a true union at Johnson Controls.

Photo: Blanca Velásquez



for their efforts and to encourage them to work harder in order to achieve the target of 1,200 units per day by the beginning of January 2011. Current production is 800 seats per day for VW and 200 seats per day for Nissan.

Sergio Beltrán, secretary of the SNTMMSRM, said he was taking the steps necessary for workers at Johnson Controls to join the SNTMMSRM and hoped to be able to talk to company management. He said it was important for the international union federations, including the IMF, to act as mediators and arrange a meeting with the company.

COMPLAINT TO THE ILO

The IMF regards protection contracts and the impact they have on workers as a violation of the right to freedom of association as enshrined in International Labour Organization Convention 87, since there is no question here of a decision freely made. Although the system of protection contracts has also been criticized by many labour lawyers in Mexico itself, the Mexican government has made no serious attempt to abolish it and to properly implement the principles of ILO Convention 87.

Challenging the status of protection contracts is a controversial issue in Mexico as they are supported by local and federal government authorities and many existing trade union organizations. Of the high number of protection agreements, most involve the three largest Mexican trade union federations. These unions use protection contracts to prevent other unions from forming or negotiating a collective contract, giving complicit support to wide-spread corruption of the official Mexican trade union system.

The IMF has been following the situation in Mexico with concern for some time. In response to continuous complaints from workers, trade unions in the process of formation, existing trade unions and non-governmental and human rights organizations, the IMF decided to lodge a complaint with the ILO Committee on Freedom of Association.

The complaint (ILO Case No. 2694) was lodged by the IMF President in February 2009 and outlines how the labour laws and the way they are interpreted in Mexico are in violation of ILO Convention 87, a convention which all member countries are obliged to respect and one that Mexico has specifically ratified.

The complaint sets out how the system of protection contracts is used in Mexico to deny workers their right to freedom of association and cites several examples, including the situation at Johnson Controls. While the complaint was lodged last year and will take some time to be considered by the ILO Committee on Freedom of Association, the problems continue in Mexico, as can be seen from the case of workers at Johnson Controls in Puebla.

Many workers seek and want change so that all Mexican workers can form genuine trade unions. Just like our colleagues in COT-JC, Carmen and Jorge, who continue to work on their own account, attend training courses and fight for reinstatement to their jobs and a change in the labour situation. It is hoped that more people like Carmen and Jorge will come forward to play their part in building a transparent and democratic trade union movement in Mexico.



The former IMF President Jürgen Peters lodges an unprecedented case against the Mexican Government to the International Labour Organization in February 2009. The complaint (ILO Case No. 2694) urges the ILO to condemn a systematic violation of freedom of association, to call upon Mexico to properly transpose ILO Convention 87 into national law and to promote democratic structures in the industrial relations of that country.

Photo: IMF





FEATURE



Dmitri and Alexander in front of Tsentrosvarmash, a swivel-truck factory where they worked before being dismissed after establishing an active local union branch of the ITUA.

Photo: Larisa Vorobieva

“WE NEVER GIVE UP” PERSECUTION OF UNIONS IN RUSSIA TODAY



Text / Ilya Matveev Translation / Mark Slay Photos / Larisa Vorobieva & ITUA

According to official data, in Russia, a country with a population of over 140 million, in 2009 there was a grand total of one strike. Of course, this reflects not the actual situation, but rather the unjustifiably strict legal requirements for holding strikes. The unconvincing figures from the Russian Federal Statistics Service (Rosstat) conceal the real story of labour conflicts: hundreds of collective disputes, a multitude of clashes with management and government, which both are often prepared to go to any lengths to destroy active and combative unions.

TSENTROSVARMASH: IS DEFENDING LABOUR RIGHTS EXTREMISM?

Tver is a typical post-Soviet town in central Russia: a small historic center, modern stores, ornately carved wooden window frames on privately built houses, decaying Soviet-era apartment blocks and, of course, the whole surrounded by a ring of industrial suburbs. Some of the Soviet-era plants closed in the 1990s, victims of privatization and rapid changes in the “effective owners”, but the rest continue to operate, accounting for the lion’s share of employment in the town.

One such plant is Tsentrosvarmach. Founded in the 1970s, it makes swivel-trucks for railroad cars and welded frames for locomotives, and employs more than a thousand people.

During the current financial crisis, the average wage at the plant fell to 12 thousand rubles (US\$410) per month. That sum consists of a small base pay supplemented by additional payments set arbitrarily by the department chiefs; this enables management to keep employees in a permanent state of insecurity, uncertainty and dependence.

Working conditions in the plant are unhealthy and dangerous: the roof leaks, water drips onto machines and high-voltage distribution cabinets (in workshops with metal floors!), and there is no ventilation.

“In winter the temperature never rises above +10°C, and we often have to work at +2 or 3°C,” notes union activist Dmitri Kozhnev.

Dmitri started working at Tsentrosvarmach in 2006. Finding no support from the local branch of the Engineering Workers’ Union of Russia (Rosprofmach), he became one of the initiators of the local branch of the Inter-Regional Trade Union of Autoworkers (ITUA), a young and active Russian trade union, which is an IMF affiliate. In November 2007 an ITUA local was established at the plant. That was when Kozhnev and other activists of the new union began to suffer persecution.

During his first year and a half at the plant, Kozhnev was not given a single disciplinary penalty. But after the local union was founded, he received one reprimand after another. Among Kozhnev’s alleged offenses was that he “talked to workers of workshop no. 8 and distracted them from their work”.

“In winter the temperature never rises above +10°C, and we often have to work at +2 or 3°C.”

Dmitri Kozhnev

Finally, on January 19, 2009, Kozhnev was dismissed. The pretext was that on December 19, a month before the dismissal, he had left his workplace 20 minutes before the end of the shift. On that day the temperature in the workshop was only +6°C, and eleven other workers left early together with Kozhnev.

In May 2009 a court declared Kozhnev’s dismissal illegal and ordered management to reinstate him. Management complied with that decision only after the intervention of court enforcement officers – and almost immediately Kozhnev was laid off for many months. Throughout that period he was paid two thirds of his base pay, about four thousand rubles (US\$138). With that money he was supposed to survive and feed a family.

On March 5 Kozhnev and another union activist, Alexander Adrianov, were again dismissed, and this time the documents used to justify their dismissal were simply forged. In February they were shown the order indicating the date of their return from layoff as February 12, but they were not allowed to sign the order. When they came to work on that date, they were again shown an order, but with a different date. It turned out they were supposed to have shown up at the plant not on the 12th, but on February 5. And that week of “unauthorized” absence was used as the pretext for dismissing them.

The plant management has spared no effort to get rid of an active and combative local which, despite its small membership and constant persecution, had achieved certain improvements in working conditions. Not only



In January 2009 Dmitri Kozhnev was dismissed from Tsentrosvarmach after supporting the establishment of a new union at the plant.

Photo: Larisa Vorobieva

FEATURE RUSSIA



Alexander Adrianov at a union picket with a sign saying "People Before Profits".

Photo: ITUA

Kozhnev and Adrianov were dismissed – so were many other ITUA activists. Nevertheless, even having lost most of its members and leaders, the local is still operating.

By pressuring union members the plant management is flagrantly violating Russian and international labour legislation. But acrimonious as it may be, the conflict would have remained local if it had involved only the union and management. What makes it particularly significant is the intervention of the authorities.

Several times Kozhnev applied to the procurator's office requesting it to intervene in the situation of horrific working conditions and low wages at the plant. But instead of investigating the employer's conduct, the procurator's office went after the union. All members of the ITUA local at Tsentrosvarmach were summoned for questioning; they were threatened with persecution and told to withdraw from the union.

Nevertheless, the most dramatic episode of the struggle at Tsentrosvarmach, and the most ominous symptom of the

situation of union and civil rights in Russia today, was the indictment of the ITUA activists for extremism.

In 2008 and 2009 a full-scale campaign was initiated in Russia to combat extremism. Within the system of the Ministry of Internal Affairs, centers were created to work against extremism, so-called "E Centers" endowed with unclear authority and an extremely broad area of activity. The vague wording of the Federal Law "On Countering Extremist Activity" enables the authorities to attack independent organizations, intellectuals and activists by equating just social demands with manifestations of hatred and hostility. Under present conditions in Russia, the "E Centers" essentially play the role of a political police.

One form of combating extremism consists of compiling lists of forbidden literature. The decision to include materials on the list is made by the courts. Disseminating and even possessing extremist literature entails administrative and criminal penalties.

The list is regularly published in the official "Russian Gazette", and previously it consisted mostly of anti-Semitic pamphlets and ultra-right-wing and Islamist propaganda. But all that changed on August 28, 2009, when the Zavolzhsky district court of Tver declared ITUA leaflets such as "A new union has been created", "We demand the return of the night shift pay!", and "Against precarious employment" to be extremist.

A paradoxical situation has emerged in which the authorities have essentially declared defending labour rights tantamount to extremist activity. If they wanted to, they could indict the entire International Metalworkers' Federation and its campaign against precarious employment – since that slogan has been declared extremist by a court of law.

During his years of union work, Dmitri Kozhnev has become a first-class expert in labour law. In talking with him, the conversation constantly turns to legal and procedural arguments and subtle issues in the Labour Code. As he



A security guard attempts to take union leaflets from Alexander and another union activist. The State has deemed several union leaflets as "extremist material".

Photo: ITUA

says, "I had always placed my hope and faith in the law." And it is precisely this person and his organization that the authorities have accused of extremism. Evidently, from the regime's viewpoint placing "too much" faith in the law is also a form of radicalism, and a dangerous one at that.

The attitude of the authorities themselves to the law is well illustrated by the episode with the court on August 28. The ITUA activists were simply not informed of it; moreover, when they requested a copy of the court decision several months later, their request was denied on the grounds that the union was "not a party to the case".

This already absurd situation becomes genuinely tragic when the ITUA, not being a "party to the case", cannot contest the court's decision. In practice, there exist no legal means of removing the union's leaflets from the list of forbidden literature.

COMPLAINT TO THE INTERNATIONAL LABOUR ORGANIZATION

The punitive action against ITUA activists in Tver, as well as many other instances of persecution and discrimination against union members in Russia, have forced the All-Russian Confederation of Labour, the national union organization which includes the ITUA, to submit a complaint to the International Labour Organization. The violations reported in it are grouped into the following categories:

- 1. The right to life, security, physical and moral personal integrity;**
- 2. The right to found organizations without prior authorization;**
- 3. Violation of trade unions' rights by state authorities;**
- 4. Discrimination against workers for being union members;**
- 5. Violation of trade unions' rights by employers; and**
- 6. Failure by law enforcement agencies to ensure the protection of trade unions' rights.**

The complaint documents a series of violations in Russia. For example, in 2008 two attacks were carried out on Alexei Etmanov, chairman of the local union at the Ford plant in Vsevolozhsk and one of the leaders of the ITUA. The first time three unknown persons tried to beat him up, but he managed to escape and began firing on them with a non-lethal weapon. The attackers fled. The next day the vice-chairman of the Ford local, Vladimir Lesik, received a telephone call from an unknown man who openly stated that the previous day's attack was a punishment for Etmanov's union activity.

The second time, an unknown person tried to attack Etmanov in his own apartment building, by lying in wait for him near the elevator. Etmanov again managed to escape, and a policeman even detained the attacker in hot pursuit, but after initial interrogation the latter disappeared.

Those guilty of these cowardly attacks have never been found or punished.

2008 also saw the beatings of Sergei Bryzgalov and Aleksei Gramm, ITUA local activists at the TagAZ plant in Taganrog.

The government has been doing everything in its power to obstruct or delay the registration of industrial and regional unions. For example, the registration procedure for the ITUA took seven months. In July 2009 the authorities refused to register the Inter-Regional Organization of the Union of Commercial and Service Workers of Saint Petersburg and Leningrad Oblast. That refusal to register has been appealed, but a decision on the appeal has still not been issued.

Government agencies systematically interfere in the activity of the unions. The situation involving intimidation of ITUA activists in Tver is quite typical. Events at Ford in Vsevolozhsk have followed the same scenario. In addition, Kozhnev and Etmanov have been intimidated by the FSB, and the chairman of the local at the GM Auto plant in Saint Petersburg, Evgeni Ivanov, was directly approached by officials of the E Center who tried to get him to "cooperate", that is to become an informer.



Dmitri and Alexei participate in an ITUA branch meeting.

Photo: ITUA

FEATURE RUSSIA

Of course, hostility on the part of employers toward unions is just as common as intimidation by the authorities. For example, the management of the GM Autovaz plant in Togliatti simply ignores the ITUA local. Despite the fact that management has been notified of the establishment of the local, it does not interact with the union in any way, does not answer its letters and declares to government inspection agencies that there are no unions at its enterprises. It has not been possible to prove the illegality of management's acts in court.

Discrimination against workers due to their union membership is ubiquitous. At the auto assembly giant AutoVAZ in Togliatti there is an ITUA local whose members are subject to constant pressure by management: they are deprived of overtime work, transferred to hardship departments, refused permission to take unpaid leave (and that during the crisis, when the plant was working at half capacity), and they are subjected to intimidation. Despite numerous complaints, the procurator's office has done nothing to defend the workers against discrimination.



Union activists belonging to the ITUA gathered at Dmitri's apartment.

Photo: Larisa Vorobieva

The various forms of pressure include restricting access of union activists to workplaces (AutoVAZ, GM Autovaz), unjustified prohibition against taking part in collective bargaining (AutoVAZ), and dismissal (Tsentrosvarmash, GM Autovaz, TagAZ and others).

The facts set forth in the complaint concern only a few unions, but they clearly reflect the extent of the pressure being exerted against worker activists and their organizations in the Russian Federation. The situation is critical: if it gives up active work, the still young and weak independent labour movement in Russia may be crushed within a few years.

Not only activists of relatively small unions such as ITUA, but also members of large national unions fall victim to persecution. Recent examples include the local branch of the Miners & Metallurgical Workers' Union of Russia (MMWU), an IMF affiliate, at "Alexandrinskaya Ore Mining Company" in Chelyabinsk. The local branch has been under pressure for months. Management employed all-too-familiar methods: dismissals, intimidation of union members, manipulating the wages. The deputy chair of the union committee Natalya Kniazkova was dismissed twice. Both times she was reinstated upon court orders.

The management of the plant promised to implement a wage rise of 10 per cent in January 2010, however in February the so-called coefficient of work participation was introduced. That's when the union members were threatened that they "won't get a dime". However those who decide to leave the union were promised a sum of money equivalent to two or three months' wages.

FROM THE PRESENT TO THE FUTURE

The persecution of unions in Russia gives little cause for optimism. Interference by the authorities in the activities of workers' organizations is becoming more frequent and systematic. A particularly ominous trend has emerged of treating the unions as "extremist" groups, involving not only the procurator's office and the Ministry of Internal Affairs, but even the intelligence agencies.

In this period of a financial crisis the state has been reducing rather than extending the protection of workers and union activists. While the employers have been increasingly aggressive in pushing for "flexible" employment relationships and deregulation of the labour market, the lower house of the Russian parliament, the Duma, and the Constitutional Court have repealed the provision of the Labour Code requiring the consent of the union for the dismissal of its leaders. That was one of the last legislative guarantees against discrimination which actually worked in court; with its elimination the unions have essentially lost their last defense against arbitrary action by the employers.

But even so, worker activists have not given up the struggle. First and foremost, they are conducting an active battle in the courts, sometimes winning substantial victories. There have been quite a few decisions in favour of reinstating workers illegally dismissed.

Another important area of activity is solidarity campaigns. Activists of the ITUA and other unions have organized mailings of protest letters through websites; they have been holding meetings and pickets, sometimes involving large numbers of participants, such as in Togliatti, where the ITUA union "Unity" managed to turn out 3,000 people.

Finally, international support is of tremendous importance. Two years ago the IMF began a global campaign of solidarity with ITUA activists who been victims of physical violence. The latest complaint by the All-Russian Confederation of Labour to the ILO was also supported by the IMF.

Despite everything, the protest movement in Russia is growing. According to official data, the number of mass actions rose to 4,900 in the first quarter of this year from 1,269 for the same period in 2009, that is an increase of 400 per cent. All totaled, almost 1.8 million people participated in them. The authorities themselves admit that the role of the unions in this action was by no means the least important.

"We never give up" is a phrase with which Alexei Etmanov often concludes his speeches and commentaries. May it serve as a guide for the action of all trade unions in Russia.



**SPECIAL
REPORT**



ORGANIZING ELECTRONICS WORKERS

Text / Jenny Holdcroft, IMF Director, ICT, Electrical and
Electronics, Aerospace

Organizing the electronics industry has long proven to be a difficult challenge for trade unions. Unionization rates remain extremely low in an industry where precarious employment is rife and labour abuses abound. To make matters worse, the electronics industry has been one of the hardest hit by the economic crisis, bringing job losses and additional downward pressure on pay and conditions. But at IMF's recent conference for the ICT, Electrical and Electronics industries on 'Organizing, Trade Union Rights and Sustainability', IMF affiliates reasserted their commitment to organizing electronics workers and improving their working conditions.

IMPACTS OF THE ECONOMIC CRISIS

In its Information Economy Report 2009, UNCTAD notes a dramatic decline in exports of ICT goods. The fall in exports has been reflected in significant job losses across the sector, with major companies laying off thousands or even tens of thousands of workers. Other employment impacts have included pay freezes, cuts of social benefits and an increased shift from permanent to precarious jobs.

The impact of the crisis has been felt particularly in Asia where the trade in ICT goods has been down by 25 to 40 per cent, although countries such as Japan, Korea, Taiwan and China are now experiencing a more rapid upturn.

There is no doubt that a significant percentage of any new jobs growth will be through precarious work. The electronics industry already has the greatest percentage of precarious employment of all IMF sectors, according to responses by affiliates to an IMF survey conducted in 2007. During the economic crisis, many thousands of precarious workers lost their jobs and there is now a real risk that employers will increase their reliance on precarious employment as a means of reducing wage costs and avoiding severance payments in the future.

EXPORTS OF ICT GOODS BY COUNTRY

Country	Exports of ICT goods (\$ billion)	Share of global ICT exports %
China	355.57	20.46
United States	164.62	9.47
Hong Kong, China	148.08	8.52
Japan	112.20	6.46
Singapore	108.32	6.23
Germany	104.72	6.03
Republic of Korea	97.37	5.60
Taiwan	85.34	4.91
Malaysia	73.19	4.21
Netherlands	70.62	4.06
Mexico	53.34	3.07
United Kingdom	37.56	2.16
Thailand	34.15	1.97
France	32.79	1.89
Ireland	23.53	1.35
Hungary	23.19	1.33
Canada	18.46	1.06
Czech Republic	17.95	1.03
Sweden	16.04	0.92
Italy	15.77	0.91

Source: UNCTAD, based on COMTRADE data, 2007

EMPLOYMENT

The ILO estimates total employment in the manufacture of electrical and electronic products worldwide at over 18 million. The majority of workers are highly concentrated in some 20 countries which together account for nearly 87 per cent of the world total. Employment growth this century has been led by China which in 2004 had a share of some 35 per cent of global employment. Conversely, between 1997 and 2004 employment in the United States declined by some 550,000 (30 per cent of the workforce), in Japan by 400,000 (20 per cent) and in Germany by 100,000 (14 per cent). Women's share of employment in the sector has risen from 38.7 per cent in 1997 to over 40 per cent with the share in different countries and industry branches ranging from five per cent to 87 per cent.

In Europe and North America, new ICT jobs are primarily being created in the service parts of the sector, while in Asia employment is growing not only in lower wage production jobs, but in research and development and other highly skilled jobs. There is still a lot of movement in the sector, with a high rate of mergers, acquisitions and attendant plant closures.

Up to 75 per cent of global electronics production has now been outsourced from brand-name companies such as Hewlett Packard, Dell and Apple, to contract manufacturers (CMs). At this level there is significant market concentration, with five major CMs producing electronic products for all the major brands: Hon Hai (Foxconn), Flextronics, Sanmina SCI, Jabil Circuit and Celestica.

Despite being for the most part unknown to the general public, the largest CMs are themselves major multinational companies that have seen extraordinary growth. Flextronics increased its sales by a factor of ten between 1997 and 2005, while the largest CM, Hon Hai, employs over 486,000 workers, the majority of them in China. Its turnover for 2009 topped \$56 billion.

Some of the rapid changes that are occurring in the sector can be seen in the table on page 21, which compares revenues and profits of the leading technology companies in 2009 with 2007.

A major element of the CM strategy to attract business from brand-name companies is to locate in countries where wage costs are lower: Flextronics claims to save its clients 75 per cent on labour costs. Consequently, the search for low cost manufacturing locations has led the CMs and other manufacturers away from North America and Western Europe, where there have been numerous plant closures and job losses, towards countries in Eastern Europe and Asia. In 2006, China overtook the European Union in hi-tech exports for the first time.

THREATS TO WORKERS' RIGHTS

Not surprisingly, the race to drive down labour costs has given rise to reports of widespread abuse of international labour standards, both in the CM companies themselves and further down the supply chain. Typical conditions include below subsistence wages, excessive working hours, forced overtime, temporary contracts, no job security, unsafe working conditions and degrading treatment.

The practice of contracting out manufacturing and workforces enables major brand-name companies to distance themselves from the substandard working conditions experienced by the people manufacturing

LEADING 10 COMPANIES 2009

Company	Country	Global Fortune 500 rank	Revenues		Profits	
			\$ millions	% change from 2007	\$ millions	% change from 2007
General Electric	USA	12	183,207	3.7	17,410	-21.6
Siemens	Germany	30	123,595	2.8	8,595	69.8
Hewlett-Packard	USA	32	118,364	13.5	8,329	14.7
Samsung Electronics	S Korea	40	110,350	4.1	5,027	-37.0
IBM	USA	45	103,630	4.9	12,334	18.4
Hitachi	Japan	52	99,544	1.3	-7,837	N/A
LG	S Korea	69	82,082	0.0	830	-16.4
Panasonic	Japan	79	77,298	-2.7	-3,772	-252.8
Sony	Japan	81	76,945	-0.9	-985	-130.4
Nokia	Finland	85	74,224	6.2	5,837	-40.8

Source: Fortune 500, July 20, 2009. Period is for financial years ending on or before March 31, 2009

The list was compiled by combining categories including Electronic and Electrical Equipment; Computers and Office Equipment; Semiconductor and Other Electronic Components; Network and Other Communications Equipment

their products. But these companies are coming under increasing pressure to clean up the abuses in their supply chains. A series of high-profile consumer campaigns coupled with pressure from shareholders via responsible investment groups has increased awareness of the vulnerability of high profile brands to negative public perceptions of working conditions in their supply chains.

Yet most companies respond only by encouraging, with differing levels of enthusiasm, their suppliers to abide by their own unilaterally developed codes of conduct. This company-driven CSR approach has proven inadequate both to raising standards and sustaining them. Workers have no involvement in monitoring or implementing labour standards as collective labour relations are virtually non-existent. Most significantly, there is no evidence of implementation of company codes successfully addressing breaches of freedom of association or promoting a climate that is less hostile to workers wanting to join a union.

There are strong arguments in favour of taking an industry approach to improving labour rights including freedom of association. Supply chains are complex with a high degree of overlap – in many cases a range of brand name companies are supplied by the same factory.

This makes it practically impossible for a single company to successfully implement its code of conduct in a factory supplying multiple companies. Accordingly, many of the major companies have joined the Electronic Industry Citizenship Coalition (EICC), which has improving social and environmental conditions across the supply chain as a goal. Unfortunately, the industry code agreed by EICC members does not meet the ILO standard on freedom of association, nor does it include any right to bargain collectively.

BARRIERS TO ORGANIZING

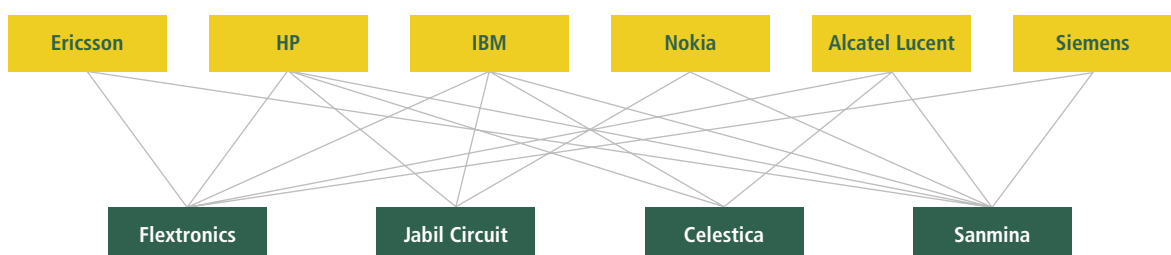
There is entrenched resistance in the electronics industry to unionization. For some of the dominant U.S. brands, this dates back to their early days in Silicon Valley. Despite having an established presence in certain European-based companies such as Philips and Nokia, unions have never been able to gain sufficient toehold in the industry on which to build organizing efforts. Consequently, when electronics manufacturing went through its massive period of growth in the 1990s, unions were not in a position to be able to organize the hundreds of thousands of new electronics workers. Today, only a handful of contract manufacturing plants worldwide have any union presence.

Reports abound of workers losing their jobs and being put on an employment 'black list' for attempting to organize or being told not to join a union or engage in any union activity. In Mexico, employment agencies routinely screen jobseekers for family ties to trade unionists and companies expressly prohibit workers from joining trade unions.

Export Processing Zones or EPZs, where electronics manufacturing is increasingly located, are notorious for guaranteeing employers a union-free environment and enforcing it by preventing union organizers' access to workers and creating a climate of fear that deters workers from unionizing. Governments contribute by failing to enforce labour laws in the EPZs, either through lack of resources or from a misguided assumption that union-free EPZs will attract more foreign investment.

Precarious temporary and agency contracts that proliferate in the sector are another obstacle to electronics workers forming unions: temporary workers have no guarantee

EXAMPLE OF SUPPLIER RELATIONS



of remaining in the workplace for an extended period (although many in fact do); agency workers have an indirect employment relationship with the company they work for; legislation or union statutes prevent contract workers from joining the same unions as the permanent workforce; unions find it hard to make contact with such workers who are likely to be on different pay and conditions from the permanent workforce; and, perhaps the biggest barrier of all, workers' fear of losing their current or future employment.

A significant characteristic of electronics manufacturing, from an organizing perspective, is that it is increasingly being done by women and migrant workers. This presents a very large organizing challenge to metal unions that have historically catered to a predominantly male membership. The biggest obstacles to organizing migrant workers are that they may be afraid to join a union and may not be aware of their rights. Language and cultural barriers also need to be overcome. Non-manual workers, which in some parts of the sector make up a high proportion of the workforce, are likely to have their own specific demands of trade unions.

Far from being discouraged by these challenges, unions attending the IMF's ICT, Electrical and Electronics conference determined that unions need to continue to develop specific strategies to organize different groups of workers, including women, young people, non-manual workers and precarious workers. Reasserting their commitment to organizing electronics workers, delegates declared that while unionization rates in the electronics industry remain so low, organizing must remain the top priority to improve wages and working conditions and restrict the ever increasing spread of precarious work.

THE WAY FORWARD

Speaking at the IMF conference, Anne Lindsay of CAFOD (Catholic Agency for Overseas Development), which along with IMF is one of the founding members of the

GoodElectronics network (www.godelectronics.org), stressed the importance of trade unions and Non-Governmental Organizations working together to compel companies to improve conditions in their supply chains. Through GoodElectronics, unions and NGOs concerned with labour rights in the industry can strengthen their relationship and put a consistent message to the companies that they need to improve their approach to freedom of association and enter into direct dialogue with trade unions.

The ensuing discussion identified several more principles for dealing with supply chain labour abuses. Responses must be speedy and specific to the particular circumstances. One potential danger to guard against is that multinationals do not sever the supply chain relationship, and thus put workers' jobs at risk, without making all possible efforts first to remedy the situation. Trade unions in the multinational's home country have a particular responsibility to hold the company to respecting labour standards in their own relationship.

An important strategy is to improve dialogue with companies, including discussions towards International Framework Agreements (IFAs). The IMF has entered into a number of IFAs with multinational companies, though none in the electronics sector. Such agreements commit companies to respecting at least the key ILO Conventions on freedom of association and the right to collective bargaining, discrimination, child labour and forced labour. Most importantly, in signing an IFA with the IMF, the multinational company undertakes to pressure its suppliers to uphold the same standards.

Such an agreement in the electronics industry, besides avoiding the pitfalls inherent in unilateral codes, would provide a useful tool for enabling dialogue between companies and trade unions at the international level that could eventually lead to workers participating in monitoring labour conditions in their own factories.

In concluding the conference, IMF General Secretary Jyrki Raina highlighted areas for future IMF work. This will include:



How has the financial crisis affected organizing for your union?



Chalee Loy-Soong

TEAM (THAILAND)

Many workers have been laid off and membership has decreased. Members are concerned that if they try organizing, they will be targeted for lay-offs.



Dorival Jesus do Nascimento

CNM-CUT (BRAZIL)

Employers have taken advantage of the crisis, but the union has worked with the government to limit job losses to 20-30 per cent. The automotive, electronic and metallurgic sectors have been most affected.

- Supporting organizing and union building in the Asia-Pacific, prioritizing Indonesia, Thailand, Vietnam, and the Philippines;
- Organizing in industrialized countries;
- Spreading good examples of organizing non-manual workers, women, young people and migrant workers;
- Cooperation with NGOs to create public pressure on governments, companies and investors;
- Working with NGOs, including continued participation in the GoodElectronics network;
- Taking action against precarious work; and
- Developing trade union networks in TNCs and supply chains.

THE ROLE OF THE ILO

The International Labour Organization potentially has a significant role to play in bringing companies, trade unions and governments together to bring about improvements to working conditions, starting with improving recognition of the right to freedom of association.

In March 2009 the ILO Governing Body decided to develop activities that build capacity of trade unions and employers to participate in social dialogue in the electronics industry at country level. It also agreed to encourage the tripartite constituents at country level to develop agreed mechanisms to reduce the amount of temporary and contract employment in the industry. Importantly, given their key role in promoting labour standards down their supply chains and their capacity to contribute to creating conditions for long-term employment relationships, the ILO is encouraging participation by brand-name companies in these activities which are scheduled to commence in 2010.

HEALTH, SAFETY AND THE ENVIRONMENT

There continue to be serious concerns among trade unions and other civil society organizations about the impact of substances used in the manufacture of electrical and electronic products on workers' health as well as on the environment.

Health problems experienced by workers from working with hazardous substances include respiratory problems, burns, eye irritation, skin diseases, damage to the nervous system, cancers, headaches, fatigue and drowsiness, lack of co-ordination or unconsciousness and liver and kidney failure. Women workers are at specific risk of damage to their reproductive health. Suspected cancer clusters have been reported among workers in the U.S., Scotland and, most recently, at Samsung in Korea.

Excessive working hours, which are endemic in parts of the industry where 10-12 hour days six days a week are typical, exacerbate the risk of health problems. Workers in high-volume production lines are at risk of repetitive strain injuries. 'Standing operations', an increasingly common practice that requires workers to work long hours in a standing position, causes workers to suffer from a range of health and stress related problems. There are many reports of pregnant workers being forced to continue standing at work.

The length and complexity of electrical and electronics supply chains necessarily mean that there are problems with monitoring the use of hazardous substances in the manufacturing process. Most alarmingly, repeated studies have found that workers in the factories do not know themselves what substances they are working with and what effect these could have on their health.

At even greater risk are workers involved in the recycling or 'breaking' of electrical and electronic products. The United Nations estimates that up to 50 million tonnes of e-waste may be generated in the world each year, but currently only 10 per cent of electronic products are recycled. The remainder is dumped as e-waste, often in developing countries in Asia and Africa, where men, women and even children who survive by scavenging garbage are exposed to the toxins they contain.

While some companies have taken significant steps to eliminate harmful chemicals from their products and to improve the energy efficiency of their products, most companies are still not giving this issue sufficient attention. Moreover, the electronics industry has a key role to play in addressing climate change by developing technologies that can assist other industries in reducing their carbon emissions.



Hans-Joachim Weis

IG METALL (GERMANY)

Certainly members have been lost as a result of the crisis. But the union was in any case starting to change its work towards more recruiting and campaigning and this is a bigger change than the short term affects of the crisis.



Alex Mashilo

NUMSA (SOUTH AFRICA)

NUMSA has been able to stand up to the crisis by taking up campaigns that target government policies. Workers see that the union is taking action and are asking to join without the union needing to recruit them.



Yuko Tomitaka

JEIU (JAPAN)

The crisis is a threat but also an opportunity. It's a threat for irregular workers to lose their job, but an opportunity for trade unions to organize them and advocate their rights.

THE RULES OF THE GAME SHOULD BE CHANGED

Yolanda Morín strongly believes the IMF should develop trade union networks to protect workers' rights all over the world.

Text & Photos / Alex Ivanou

Trade union activist Yolanda Morín, 33, is the international secretary at the Confederación Sindical de Comisiones Obreras (CC.OO), one of IMF's affiliates in Spain, and currently a substitute member of the IMF Executive Committee. In this capacity Yolanda Morín will attend her first IMF Executive Committee meeting in Frankfurt on June 10 and 11, 2010.

Yolanda joined the CC.OO national headquarters only two years ago. However she is not new to the trade union movement. Graduated as a teacher at the age of 21 in Madrid, Yolanda moved to Catalan-speaking Barcelona, where she started her career as a teacher. Soon she found that due to linguistic problems it was difficult to continue. Living in an industrial area Yolanda decided to change her work profile and embarked on a different job in small industrial metalworking enterprises. Notably it was here that she first faced the reality of precarious employment with poor working conditions and a bad system of protection of health and safety.

In a bid to change this reality Yolanda joined a union and made contact with the union world. In the beginning, she worked in the morning at the factory and on free afternoons at the local union, where she volunteered to work with the training department. Soon after that Yolanda was offered a permanent job in the union as a technical assistant responsible for studies of the labour market and workers' inclusion programs. Yolanda's activism and interest in participating in collective bargaining led to her becoming

a member of the Bosch works council and member of its negotiating team. Later, based on her experience, Yolanda was contacted by Comisiones Obreras and offered a job in Madrid first with responsibility for industrial relations observatories and now as the international secretary.

In her daily work Yolanda is involved in union cooperation projects, she maintains contacts with European works councils and with colleagues in different companies, both in Europe and globally.

In terms of her expectations from her current and future activities with the IMF, Yolanda believes one should be ambitious about what can be done in conjunction with the IMF, while at the same time finding a balance between the available human and financial resources.


Yolanda believes that IMF, together with its affiliates, should fight to oblige companies to implement socially responsible practices, since she is assured they do have responsibilities vis-à-vis their workers and society; companies have significant influence on finances, economic systems and also on governments and their policies.

Yolanda believes that, "the aim should be to change the rules of the game, it is clear that the IMF cannot do that alone, nevertheless we should put pressure on governments and different institutions where unions are involved to seek to change the rules of the game. The present rules have given us the financial and economic crisis. And the brunt of this has been paid by workers and has

PROFILE

YOLANDA MORÍN

Country / Spain
Position / International Secretary
Union / Confederación Sindical de Comisiones Obreras (CC.OO)



translated into a loss of basic rights for workers in collective bargaining and negotiations. It has also resulted in an increase of industrial accidents due to the lack of respect by the companies of health and safety regulations."

"Companies do design and evaluate their strategies by communicating within and between themselves; therefore union cooperation is also key. Unions should be in a position to communicate, to set up and evaluate their own strategies,"

she argues, adding, "therefore there is a clear need to set up global workers' and trade union networks."

NB: The IMF Working Group on Trade Union Networks in TNCs, met in Geneva in May and will report to the IMF Executive Committee in June 2010.

