

GENDER ASPECTS

Production of Next-generation electronics in Poland

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GENDER PERSPECTIVE.

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MAKEITFAIR

makeITfair is a European wide project on consumer electronics, aiming to inform young consumers about human rights, social and environmental issues along the supply chain. The work is co-ordinated by the Dutch organisation SOMO. Project partners are IRENE in the Netherlands, SwedWatch, Fair Trade Center, Church of Sweden Aid from Sweden, FinnWatch and Finnish Association for Nature Conservation from Finland; Germanwatch and Verbraucher Initiative from Germany, KARAT from CEE; ACIDH from the DR Congo, CIVIDEP from India and Labour Action China from China. Website: www.makeitfair.org



KARAT COALITION

A regional coalition of organizations and individuals that works to ensure gender equality in the Central & Eastern Europe and the Commonwealth of Independent States countries. The coalition conducts research, capacity building, awareness raising and lobbying activities focusing on the needs and concerns of women in the Region related to their economic situation. The situation of women in the labour market and working conditions of women across the region are one of the main themes addressed by the Coalition. KARAT members include NGOs from 22 countries.

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FOREWORD

This report is part of the „makeITfair” project designed to raise awareness about development issues in the production chain of the electronics industry, with a special focus on young consumer electronics, including mobile phones, MP3 players, game consoles and laptops.

The focus of the project is on the electronics industry, as this industry is growing rapidly and is facing many social and environmental problems throughout the world. The industry has only recently been the focus of public campaigns, and there is still limited awareness amongst the wider public. As the production chain of electronic products is a truly global one, the sector is a particularly good example when discussing issues of globalisation with young consumers.

A three-year programme, „makeITfair” concentrates on young consumers because they can play a decisive role in moving the industry towards more equitable and sustainable production methods. At the same time, dialogue with electronics companies encouraging them to take responsibility for issues throughout their entire supply chain will take place.

In the first year, the research report focuses on the conditions under which raw materials for electronics are extracted. The production, retailing and eventually the discarding of products in the last phase of the product lifecycle will be researched in the second and third year of the project. Furthermore, the research investigates the situation in Europe itself: in the first year it focused on production in Poland, in the second and third year the electronics industry in Czech Republic and Hungary will be addressed.

The dissemination of the research entails the development of Consumer Guides, educational material, toolkits for campaigning organisations and web based tools. Other activities in this project include capacity building sessions in Central Europe and the organising of an annual international Round Table to bring together electronics companies, NGOs and trade unions to discuss the various responsibilities for the environmental, human rights and labour conditions down the supply chain of young consumer electronics. This EU-funded programme is led by a consortium of NGOs from Europe that includes Germanwatch, Verbraucher Initiative, SwedWatch, Church of Sweden Aid, Fair Trade Center, FinnWatch/Finnish Association for Nature Conservation, Karat, SOMO and IRENE, as well as NGOs in developing countries in Asia and Africa including SACOM from China, CIVIDEP from India and ACIDH from the Democratic Republic of Congo.

WORKING CONDITIONS IN THE ELECTRONICS INDUSTRY IN POLAND

1. INTRODUCTION

The report “Production of Next-Generation Electronics in Poland - Gender Perspective” focuses on working conditions in the production of consumer electronics such as mobile phones and laptops in Poland. Since the majority of workers involved in this production are women, and as the report is prepared by Karat Coalition, a non-governmental organisation focusing on gender issues including working conditions in manufacturing, the report places emphasis on the working conditions of women workers including any forms of direct and indirect gender discrimination.

The situation of women employed in electronic industry in Poland is quite specific: Poland has been an EU member state since May 2004, but unfortunately until today the working conditions of women producing

electronic equipment and particularly their wages are not in line with those available to workers in other, in particular „old” EU states. In fact some aspects of the working conditions in Polish factories can be compared to the conditions in factories in the developing world.

The research focusing on Poland is the first one of three fact-funding studies to be conducted in new EU Member States where some of the production of next-generation consumer electronics is located. In 2008 and 2009 similar research will be conducted in Czech Republic and Hungary.

2. COUNTRY PROFILE

2. 1 INTRODUCTION

Poland is quite a specific country in the context of the production and consumption of next-generation electronics. This specificity is largely linked to the recent economic and political transformation of Poland that began in 1989 and has been associated with significant social changes including transformation of the labour market as well as drastic changes in consumption patterns. Prior to 1989, as in other countries of the Eastern Bloc, Poland was characterised by a centrally controlled economy in which development of individual industry sectors was not shaped by market forces. Furthermore, consumption was restricted to the limited products that were available at a given time in the system, which constantly experienced shortages of everything ranging from meat and toilet paper to apartments and cars. Partly as a reaction to the above situation, after the 1989 transformation Poles enthusiastically embraced capitalism and particularly the consumption aspects of it. Until today consumption of specific products perceived to be a status symbol is very strong in Poland as compared to the purchasing power of an average citizen. Historically, the working conditions in which consumer goods are produced, either in another country or in Poland, are not taken into consideration by consumers. This however, is partly caused by a lack of awareness associated with deficiency of information, including absence of an awareness that consumers can and should have an impact upon the conditions in which items they purchase are produced. This is a consequence of a still weak sense of social awareness, and an underdeveloped civil society. What is important however, is that this is slowly changing, and as it was indicated by a consumer behaviour survey conducted by Karat among consumers of sportswear, increasing numbers of consumers state that knowledge about the conditions in which clothes are produced would influence their consumer choices ¹.

At this point it is important to highlight that although Poles are very devoted and uncritical consumers of next-generation electronics, Poland is a country in which exploitation of workers in production (including production of electronics) is quite wide spread. While there is general discontent with the situation on the labour market, relatively little is done about it and recent improvements to wages and work conditions are mainly due to a labour shortage caused by mass migration of workers to old EU countries, rather than to any organised social initiatives. This again is a consequence of an underdeveloped civil society (including the trade unions).

¹ For more details, see research conducted by Karat focusing on sports wear, which will be published by the end of 2007 and will be available at <http://www.kobietypraca.org/fairplay/index.html>

2.2 BASIC FIGURES ON THE ELECTRONICS SECTOR²

In Poland, the electronics industry is not a major sector of the economy. In pre-1989 Poland the economic emphasis was placed on heavy industry. Additionally, after 1989 a number of larger publicly owned electronic plants were closed due to bankruptcy (for example Elemis, Kasprzak, Diora). Furthermore, high-tech electronic companies producing semiconductors that moved to Poland in late 1980s to capitalise on the technical and educational skill base of the country, have moved out of the country³ by the time this report was written. Consequently after 1989 the share of the electronics sector in the Polish economy has been relatively low. In the second half of 1990s the contribution of the sector to GDP was 1,0–1,5%, but growing slightly in the following years. In 2003 it was approximately 1,6%, and in 2005 it was 1,5%. It has been suggested that this low figure indicates a great potential for the development of this sector⁴. At the moment in Poland there are very few factories producing new generation products such as those that the makeITfair project is focusing on: mobile phones, MP3s, and lap top computers. It is important to note, however, that as a consequence of the inflow of foreign investment, production of electronic goods, and more importantly production in large production plants, is constantly increasing in the country. Despite this, since the closing of large scale state owned production units, small production units dominate the sector. Poland produces traditional electronic goods, which are then used in production of other non-electronic goods often outside of the country. Poland produces televisions sets, washing machines, dish washers and fridges and components of electronic equipment such as LCD screens, cables, chips, and other parts of TV sets. Smaller electronic elements and chips are predominantly imported from China. Polish cable producers have a very strong market position, this includes such firms as Telefonica, Electrum, Kimball electronics Polska and Softre.

Production. The Polish electronics industry includes sub-sectors such as the production of office equipment and computers (this includes electronic cash registers; fax machines; desktop computers as well as portable computers), production of radio, television and communications equipment (including electronic components, TV and radio transmitters, phone sets, radio and TV receivers, video and audio equipment⁵). Other sub-sector sectors of electronic industry include measuring and navigation equipment and industrial equipment.

Sales. Sales of electronic goods constitute approximately 2,7% of sales of the entire electronic industry (according to 2004 data). Sales of electronic products in 2005 were 12 767, 7 mln PLN⁶.

Export and import. Trade in electronic goods between Poland and other countries is increasing annually. TVs and TV tubes are the leading export products in this sector. In 2004, the total value of these exports was 1 231 700 000 USD and compared with 2003 it has increased by 11,2 %. The total value of imports of these products was 287 000 000 USD, which was a 17% increase compared with 2003, which means that every year exports of TVs and TV tubes significantly exceeds imports. Audio and video equipment is exported as well. Imports are dominated by electronic sub-components, computer equipment and telecommunications equipment. A relatively large part of the import (because of very small Polish production) is taken up by transmitting equipment for radio, television and radio communication.⁷ Electronic chips are also imported and these imports have grown significantly: in 2004 they were 27% higher than in 2003.

² The publicly available statistical data focusing on the electronics industry unfortunately is quite limited and organized in such a manner that it is difficult to separate data referring to the production of mobile phones, MP3 players, and laptops.

³ Watterson 2007.

⁴ Ministry of Economy 2006.

⁵ Ministry of Economy August 2006.

⁶ Ministry of Economy August 2006.

⁷ Gacki (2005).

When compared to the early 1990s there has been a marked change to the trade pattern. Currently the majority of electronic products are exported to other EU states. As far as imports are concerned, the majority are from EU and EFTA, and 20% from Asian countries⁸.

Structure of the sector and structure of the companies. According to 2005 data there were 7 401 economic entities active in the electronics field in Poland (this includes production, sales and services)⁹. Production firms constitute approximately 1/3 of all the firms in this sector¹⁰. As far as production firms are concerned, the industry is dominated by small firms employing up to 9 workers which are privately owned (6 977 entities). Companies which employ more the 9 persons constitute only 6% of the sector with 80% of them being privately owned. It is them, however, that produce over 90% of the sales income.¹¹

Foreign capital and increase in number of companies. According to 2005 data, there were 296 firms with foreign capital in the Polish electronics industry (176 entities with foreign capital originating from one country). It shows a small increase when compared with 2004 when there were 170 such entities¹².

Employment. In 2005 the sector employed 37 000 persons, compared with 24,100 in 2002. This constitutes only 1,4% of the total number employed in industry¹³. Since 1995 the decrease in the number employed in the industry has been notable. At the same time systematic growth in the value of sales has been recorded. This can suggest an increase in productivity and more effective management in electronics firms, but unfortunately can also suggest other methods of increasing of profits (eg. exploitation of workers).

Mobile phones, lap tops, and MP3s. Production of mobile phones, laptops and MP3 Players is extremely insignificant in Poland. In fact no plants producing MP3 Players have been identified during research conducted for this project. Increased usage of mobile phones in Poland led to the creation of one main player in the market, Nokia, which supplies the phones themselves as well as the necessary infrastructure. The biggest suppliers of infrastructure and terminals are Nokia, Alcatel, Ericsson, Motorola and Siemens¹⁴. What is very important to remember however is that paradoxically the development of the mobile phone sector lead to an increased demand for cables¹⁵, which are one of main products of the Polish electronics sector.

3. IMPACT OF FOREIGN INVESTMENT ON THE DEVELOPMENT OF ELECTRONIC SECTOR

As it was mentioned earlier, during the first years of economic transformation in Poland a number of negative processes took place leading to the bankruptcy of a number of companies¹⁶. At the same time, as a consequence of the attractiveness of Poland for foreign investment related to the relatively low cost of labour (when compared to other EU countries for example), acceptable infrastructure, the support and assistance of a majority of post 1989 governments interested in attracting foreign capital, and the proximity

⁸ Ministry of Economy and Employment 2002

⁹ Krajowa Izba Gospodarcza Elektroniki i Komunikacji with Electronic Market Institute (2006)

¹⁰ Ministry of Economy and Employment 2002

¹¹ Krajowa Izba Gospodarcza Elektroniki i Komunikacji with Electronic Market Institute (2006)

Krajowa Izba Gospodarcza Elektroniki i Komunikacji with Electronic Market Institute (2006)

¹³ Ministry of Economy, August 2006

¹⁴ Krajowa Izba Gospodarcza Elektroniki i Komunikacji with Electronic Market Institute (2006)

¹⁵ Krajowa Izba Gospodarcza Elektroniki i Komunikacji with Electronic Market Institute (2003)

¹⁶ Ministry of Economy and Employment 2002

of western markets, foreign investors are tending to locate their firms in Poland more often now than in the past. In 2006 Poland received 11 billion USD in foreign direct investment, whilst in recent years it was receiving on average 7.8 billion USD¹⁷.

The share of foreign investment in the electronic industry is also constantly increasing¹⁸. Larger firms employing more than 250 workers generally are fully or partly owned by foreign companies. Until 2005 the most important investors in the electronic sector as far as production is concerned were Jabil Kwidzyn (in 2004 Philips in Kwidzyn was sold to the American firm Jabil Circuit), LG Electronics, Daewoo Electronics and three producers of telecommunication equipment: Siemens, Alcatel and Lucent Technologies. The market share of the firms which assemble equipment for other companies is also increasing (Kimball Electronics Poland: electronic components for the telecommunications and automotive industries), Flextronic International Poland (electronic components and goods), Sofrel (components for the TV and automotive industries)¹⁹.

In September, LG Philips started construction of a factory which will start production of LCD screens at the beginning of 2007. LG Philips will invest approximately 376 mln Euro in the factory. Investment by Philips led to an increase in interest from other investors operating in the electronics sector with the following firms starting to invest in Poland: Hesusung, Ohsung and LG Chem. The investments of LG Philips and their suppliers will create 10 000 new jobs in Poland. Sharp and Orion Electronics are also investing in Poland, building factories producing LCD screens near Toruń²⁰. Research and development is also important in terms of foreign investment. Recently R & D sections of firms such as Samsung, Motorola and Siemens firms are starting to be set up in Poland. In December 2006, China based Lenovo also announced that in its push for the European PC market, it will open a manufacturing plant in the Legnica Special Economic Zone in Poland. The factory is expected to start operating in the third quarter of 2008²¹.

Foreign investment is particularly visible in the field of LCD panel and screen production. In 2006, new investments were made by the following firms: the American company Dell which focuses on production of PCs (what is important in the context of this project is production of screens for lap top computers²²); Funai (production of TVs); Sharp in Łysomice (production of modules for LCD TV screens); Philips LG/LG Electronics in Kobierzyce (production of LCD TVs, panels and elements for LCD screens). Plans have been also announced by Toshiba, which will build a LCD screens production plant in Wrocław, Sharp which will be producing LCD modules near Toruń, and also LG Electronics and Funai. As a consequence of those investments Poland has a chance to become a very strong player in the production of LCD screens, televisions and panels. According to estimates by the Ministry of Economics, in 2010 eight out of ten flat receivers sold in Europe will have the „made in Poland” sign on them.²³

On the domestic level, foreign investment is perceived as having a positive development impact by the Polish government and business professionals. Foreign investment both of Greenfields and takeover type is generally perceived as having the same long term impact, in both cases impacting other companies working in the field. In terms of „Greenfields” investments, one of the problems is that investors are tempted to Poland by the fact that wages in Poland are low by EU standards and that at the same time large numbers of workers are available as a consequence of extremely high unemployment levels. Unfortunately for the

¹⁷ <http://www.mideuropa.com>

¹⁸ Ministry of Economy and Employment 2002

¹⁹ Ministry of Economy, October 2006

²⁰ Ministry of Economy, October 2006

²¹ TCM Net News (2007)

²² Unfortunately the production of lap tops did not begin in time for empirical research covered by this report (interviews with workers) to focus on this factory.

²³ Jaślan (2007)

investors the situation has changed as a consequence of Poland becoming an EU member and the new possibility of work migration which has been undertaken by 2 000 000 (estimate from October 2007) Poles. This led to an unwillingness of Poles to work for minimum or close to minimum wages offered by some companies such as LG Electronics in Wrocław. As a consequence of this the firm failed to find workers for the 15 000 jobs that it had on offer.

Case study: LG Electronics

There have been numerous media reports²⁴ as well as discussions in the various internet chat rooms about the case of LG Electronics located in Biskupice near Wrocław. In 2005, the Korean company announced that it will build the biggest LCD screens factory in the world near Wrocław. It stated that thousands of workers will find employment in production alone. Employment for qualified staff, mainly engineers, was also to be very extensive. The investment was even called one of the biggest in post war Poland, and the Polish government offered extensive support to the investor, giving the company significant tax breaks. Furthermore, the company built the factory on the assumption that it will easily recruit workers, who in case of production would largely be women, willing to work for „Polish wages” (i.e low wages). This probably would have been the case if the borders of a number of the „old” EU states did not recently open to workers from Poland. This opening of the borders resulted in mass migration of Polish workers tempted by the opportunity of not only to finding work, but work for which they receive decent pay. This in turn led to two changes in the Polish labour market: a drastic decrease in the number of workers seeking employment, and an unwillingness of workers to accept employment for quite low wages. Today’s production workers want to earn at least 2000 PLN after tax (500 Euro) per month.

Until recently, LG employed only 5 000 workers, and it continues to experience significant problems with finding more. It is also now evident that the company really only needs the production workers. For 10 hour shifts on the production line, the worker receives (after tax) approximately 1000 PLN (app. 250 Euro) per month. In spring 2007 there has been industrial action related to overtime which resulted among others in some workers who participated in the industrial action being dismissed.

Despite this in Autumn 2006, local authorities in Wrocław placed several billboards in central London (a destination for large numbers of Polish employment migrants) encouraging Polish migrants to return home and take advantage of the economic boom in Wrocław. The president of Wrocław even appeared on British TV. According to the media so far the only consequence of this has been that some of the managerial posts have been taken up by the British nationals, attracted by the high wages for (non-Polish) managerial staff. It has been reported that as a response to the employment problems the company is not planning to increase wages but if it will possibly bring production workers from China.

On 12 of December 2007, radio station Talk FM²⁵ reported that now a month or even a week cannot pass without media reports about accidents, scandals and breaching of laws by the Korean employers. Talk FM reported that in the second week of December a female worker was beaten up by her Korean boss. She has not yet reported it to prosecutors, despite her family encouraging her to do so. Despite this information about the incident led to the National Labour Inspectorate planning to focus on LG. The Talk FM reporter highlighted the fact that accidents such as workers being run over by vehicles, and breaches of work code including shortening of breaks have been reported. He linked the problems experienced by workers to cultural differences between Korea and Poland related to work conditions and work ethics.

²⁴ For example: Tomasz Zieba “Przepraszam czy tu Płacą?” (Excuse me, do you get paid here?) Polish Express 18.08.2007 <http://www.polishexpress.co.uk/artykul.aspx?id=562>; Zwolnienia w LG Electronics (Dismissals in LG electronics) 02.05.2007; Gazeta Wyborcza Wrocław <http://miasta.gazeta.pl/wroclaw/1,35751,4103845.html> ; Protests w LG Electronics (Protest in LG Electronics) 27.04.07 Gazeta Wyborcza Wrocław <http://miasta.gazeta.pl/wroclaw/1,36743,4096358.html>; Talk FM 12.12.2007.

²⁵ Talk FM (2007) ‘Wrocław: pobicie w LG’ (Wrocław: assault in LG) 12.12.2007

4. ENVIRONMENTAL IMPACT, INDUSTRIAL RELATIONS, LABOUR LAW AND OTHER RELEVANT ISSUES.

Despite the development of the electronics sector, it is still relatively small when compared to other sectors of the economy. This is particularly true in the case of the production of mobile phones, MP3 players and laptops. Additionally since growth of the sector is quite recent it is difficult to establish, in terms of finding concrete data, or even indications in press or public opinion, what are the most relevant issues within the sector in Poland.

4.1 ENVIRONMENTAL IMPACT

The research conducted for the purpose of this report did not identify any data on environmental issues related specifically to the mobile phones, MP3 players and laptops that are produced in Poland. There is also very little or no data indicating what happens with electronic waste related to laptops, mobiles and MP3 players (i.e. what happens with the electronic goods once they are no longer used). It can be assumed, however, that the majority of electronic goods addressed by this project are not recycled by consumers but simply thrown out.

4.2 INDUSTRIAL RELATIONS

In terms of industrial relations, the electronic industry has not been very visible until recently and consequently there is very little research done on it and very little written about industrial actions within it. Since the electronics industry has not been a significant employer historically, unions operating in this area are not as strong as unions addressing interests of other groups (for example miners or shipyard workers). Furthermore, it can be assumed this relative weakness of the unions operating in electronics is related to the fact that the industry, and at least its production sector is dominated by women, and union's uniting women workers are weaker in Poland than unions uniting male workers.

In Poland there are two main trade unions: NSZZ Solidarność which was created during the civil society movement which eventually led to the overthrowing of the previous socio-economic system. And OPZZ (All Polish Alliance of Trade Unions). In many work places other unions also operate including independent unions organised by workers as well and „yellow” unions which are set up by the companies.

The electronics industry is covered by the Metal section of NSZZ Solidarność. Bartłomiej Soszyński, leader of the National Section of the Telecommunication and Metal Workers Secretariat of NSZZ Solidarność was interviewed as part of the research conducted for this report and provided some very insightful information. According to Soszyński, approximately 25 – 40% of workers of the entire electronics industry are unionised, but only 10 – 30% of women working in production are. He highlighted the fact that production of mobile phones, laptops and MP3 players plays a very minor role in the Polish electronics industry. He noted that the employment trend is on the increase with more work places being created as a consequence of new investments such as LG Philips in Kobierzyce, where according to the Soszyński in the beginning there were very low wages but recently they have improved. The negative comments regarding industry included the fact that most companies have significant rotation of workers and that most of the factories do not have or observe Good Practice Codes of their clients. Further he stressed that Corporate Social Responsibility (CSR) is usually implemented on the level of the company rather than the factory, which in practice means that the CSR does not focus on the working conditions of the production

employees. A majority of electronic production plants do not have collective bargaining agreements, and the ones who have them have a revised version of the agreements produced in the previous system (prior to 1989). The new companies which have collective bargaining agreements are Thomson and Lucent Technologies. In general within the industry there are no strikes, with conflict mainly related to work safety and (low) wages (for example in Flextronics and Thomson).

In relation to Flextronics, Soczyński noted that in the beginning of the operation of the company 80% of workers were employed on a temporary basis. Currently 50% of workers are employed on a permanent basis. This was a result of the efforts of the union fighting against contract employment. Furthermore in 2007 a 15% increase of wages took place. This was related to a shortage of labour experienced in Poland²⁶.

There have been several actions organised by the trade unions in factories (including factories producing mobile phones and covered by this research), but they received very little media coverage and very limited attention from the public, state or other stake holders. Industrial actions undertaken in LG Electronics are described in the case study of the company (above). Industrial actions in Flextronics (producers of mobile phones) are referred to in the section addressing empirical research conducted for this project.

One issue which is evidently extremely relevant are the bad working conditions in which electronic goods (including mobile phones) are produced. It has to be understood however, that this issue is not limited to the electronics industry but is the relevant across the manufacturing sector in Poland.

4.3 LABOUR LAWS

International level. Since empirical research conducted for this report focuses on female employees of the electronics industry, this section will focus on labour laws (or more precisely laws related to non discrimination in the workplace) relevant to gender. Poland has a very extensive set of laws related to working conditions, including those relevant to women. As far as international labour laws are concerned Poland has ratified the following ILO Conventions related to women: No. 100 (ratified in 1954), No. 111 (ratified in 1961), No. 103 (ratified in 1976). Conventions No. 156 and 183 have not been ratified. All together Poland has ratified 82 ILO conventions and denounced 7 (6 of them related to Minimal Age) therefore it could be said that at least in theory Poland is fulfilling international labour standards. This research did not identify any laws particularly relevant to electronics.

Additionally the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) was ratified by Poland on 18 July 1980. An Optional Protocol to the CEDAW was ratified by the Polish Parliament on 9 January 2003.

National Level. On the national level Poland has no specific gender equality law. Several attempts to pass the draft Act on Equal Status between Women and Men have been unsuccessful.

Equality in the workplace is incorporated into general law, such as the Constitution and the Labour Code. The Polish Constitution guarantees equal rights for women and men: in economic life, employment and promotion, equal compensation for work of similar value, and to social security, but does not refer to institutional mechanisms, responsible for implementation of these regulations (Lohmann, Łozińska, Solik 1999).

²⁶ Central and Eastern Europe workshop on organising women in global electronics supply chains, International Metal Workers Federation, Budapest, Hungary, 11 September 2007

As the consequence of EU accession most of the *acquis communautaire* concerning gender related equal treatment in the labour market was transposed into Polish legislation. The directives on equal treatment for women and men including directives on equal treatment, burden of proof, and equal pay have been transposed into Polish legislation through the amendment to the Labour Code, which entered into force in January 2002. This amendment involved adding a separate chapter „Equal Treatment for Women and Men” to the first division of the Labour Code. Further, the references to gender equality are made in the so called *expressis verbis* manner, which means that they are a much clearer and easier to understand than previously. There are three directives transposed in this chapter²⁷.

Additional amendments to the Labour Code were made as a result of the transposition of the EU Directives and came into force in January 2004. Thanks to those amendments additional grounds for discrimination related to gender were added. This included sexual harassment and the change of the title of the chapter from „Equal Treatment for Women and Men” to „Equality of Treatment in Employment”.

4.4 CORPORATE SOCIAL RESPONSIBILITY (CSR) ISSUES IN THE MOBILE PHONE SECTOR IN POLAND

The interest in Corporate Social Responsibility is a recent trend in Poland. It can be said that it predominantly operates on a theoretical or institutional level. Which means that different organisations or bodies (for example those uniting Employers or interested NGOs) focus some of their activities (meetings, workshops, research etc) on CSR. Larger corporations and particularly those who came to Poland from abroad usually have CSR policies but on the level of the corporation and not on the levels of the production plants/factories. Furthermore, the notion of CSR is often not very well understood (for example Karat came across an opinion that CSR is not related to working conditions but „other” community issues) and/or CSR is treated purely as an element of PR of the company. Small production companies usually do not pay any attention to CSR. It can be assumed that this general approach to CSR in Poland is no different to that in the mobile phone sector in the country. This however, could be seen in a very positive light: since CSR is not very well developed in Poland, the opportunity for its development and for using it to improve working conditions as well as the environmental impact of companies producing electronics in the country is quite significant.

The issue of CSR will be discussed further in the next section of the report describing outcomes of the empirical research.

²⁷ For more detail description of the changes to the labour code related to the EU accession process including equal pay, equal treatment, burden of proof, maternity leave, Lohmann and Seibert 2003

5. WORKING CONDITIONS IN THE PRODUCTION OF MOBILE PHONES IN POLAND – EMPIRICAL RESEARCH.

For the purpose of this report three factories producing next-generation electronics located in Poland were targeted. Flextronics (producing parts for mobile phones), NTT System S.A. (lap tops and computers), Zatra S.A (lap tops and computers).

5.1 FLEXTRONICS

General Information. The headquarters of Flextronics is located in Singapore. It is a leading Electronics Manufacturing Services (EMS) provider focused on delivering complete design, engineering and manufacturing services to automotive, computing, consumer digital, industrial, infrastructure, medical and mobile OEMs. Its pro forma fiscal year 2007 revenues from continuing operations are more than 30 billion USD. Flextronics helps customers design, build, ship, and service electronics products through a network of facilities in 35 countries on four continents²⁸.

It locates its production in regions where due to low production costs, investment expenditure can be limited, for example in Mexico, Brazil, Poland, Hungary, India, China. It creates industrial parts where production and logistics are located in one place.

According to the official company website Flextronics has a CSR program which includes disaster relief; medical aid; education (Flex University for permanent employees); environmental protection; health and safety; support for local communities (grants, financial assistance, volunteers, subsidies); high ethical standards of practice in with clients, suppliers and workers. Worldwide the company is employing 90 000 workers²⁹.

The Polish Flextronics factory is located in Tczew, 30 km from Gdańsk (Northern Poland) in the Pomeranian Special Economic Zone. Flextronics in Tczew is the largest industrial space in Europe, of 45 272 m² size, built as an industrial park in the Pomeranian Special Economic Zone. Flextronics in Tczew consist of enclosures (storages), production and an IT section. The company employs 2600 workers.

The production workers work according to different systems depending on the on the section they are employed in. The systems include night shifts and work on weekends and are based on 4 shifts. First, second and third shift are 8 hours long and they start respectively at 8:00; 14:00 and 22:00. The fourth shift is 12 hours long (so called four teams system) includes two days of work from 6:00 – 18:00, followed by one day off, then two night shifts 18:00 – 6:00, followed by two days off.

According to local press (Dziennik Bałtycki)³⁰ the company is experiencing significant rotation of workers, who lack motivation to work. It is also reported that the company is not observing the Labour Code and that on average once a year managers of individual production floors are changed. The local press also reports that the company had a practice of employing workers not on a full time basis but on 4/5 time which meant 40h of work a week with 16 days of paid holiday leave. It was also reported that the workers

²⁸ The information from the official website of the company <http://www.flextronics.com>

²⁹ "Dziennik Bałtycki" 23.06 2006

³⁰ For example: Ziółkowski (2006) 'Brakuje Rak do Pracy' (Not Enough workers for the work) Dziennik Bałtycki 13.09.06; Ziółkowski 'Jest praca, nie ma chętnych' (There is work, but there is not takers) Dziennik Bałtycki 13.09.06; Ziółkowski (2005) 'Flextronics zmienia politykę kadrową?' (Is Flextronic changing its employment policy?) Dziennik Bałtycki 4.10.06; Ziółkowski (2006) 'Pracują w strachu i nerwach' (Working in fear and under stress) Dziennik Bałtycki 24.03.06; Ziółkowski (2005) KROK OD PROTESTU (One step from the protest) Dziennik Bałtycki 08.09.05

did not get paid for overtime but it was proposed to them to take days off instead. The company has been also using the service of employment company Adecco which employed temporary workers, and that there were complaints about that from the workers. The Labour inspectorate has recently conducted two controls and its concerns included non-observance of working time and the need for clarifying cooperation with trade unions. The information from the local press was similar to the information provided by workers of Flextronics interviewed by Karat. All this has led to the company not being perceived to be a good employer and as a consequence the company is experiencing significant problems with the recruitment of the workers, despite still significant levels of unemployment in the region. At the same time however, the firm is eager to improve its reputation as an employer.

Another source of information on the working conditions in the Flextronics factory were internet forums³¹. From the forums, in which a variety of workers employed in different sections and in various positions participated, it could be established that working conditions varied between the sections of the factory, but that work in production is very hard. The participants of the forums expressed the view that working conditions are not very bad but that respect for the workers is an issue. Some participants were questioning the qualifications of co-workers. There were mentions of promised pay rises and comments regarding lack of trust towards trade unions.

5.1.1 INTERVIEW WITH THE TRADE UNION REPRESENTATIVE

The trade union operating within the factory is NSZZ Solidarność³². Karat has received information that another trade union operates within the company but despite attempts we did not manage to get in contact with it.

For the purpose of the research, a trade union representative of NSZZ Solidarność Flextronics was interviewed. The questions which the trade union representative was asked were similar to those which the workers were asked but slightly more extensive, as it was assumed that the general knowledge of the trade union representative on diverse issues regarding the company is broader than that of the production workers. Below is the brief summary of some of the points made by the trade union representative.

About the factory. Half of the factory production workers are women. Thirty per cent are on fixed time contracts, and the rest on permanent contracts. There are no unregistered or informal workers. The positions available are regular production worker, foreperson, and master. Since last year (2006) the number of persons employed by an employment subcontractor has increased. The factory is also experiencing very significant rotation of workers with skilled workers being difficult to recruit and unskilled being easy to replace. This is caused by continuous significant unemployment in the surrounding area. The factory has an “Ethical Code” of clients and most of workers should know about it (they sign a document stating that they are aware about it), however not all the workers know that this gives them concrete rights. Clients and potential clients of the company visit the factory but they do not talk to trade unions or the workers but only to the management. The factory also has a factory work code. It has a social fund which is predominantly used for emergency assistance. There were two issues that the Trade Union representative did not want to answer: he did not want to say what the factory produces, and did not want to talk about CSR.

Trade Unions. Thirty percent of the workers are members of Solidarność and most of the members are women. In terms of the relations between the workers and the employer, the unionist perceived the

³¹ www.tczew.naszemiasto.wp.pl; www.kafeteria.pl

³² Contact details for union representatives (updated in 2007) available from Karat Secretariat on request.

employer to be „on the other side”. The main issues addressed by the union are workers issues such as wages, defending pregnant women, work safety. The union communicates with the workers through direct contact, information board, factory bulletin. The union is in the process of negotiating collective bargaining agreements. Two years ago there was a strike related to financial issues and forms of employment (employing workers on 4/5 of time). The strike was followed by a change of the part of the Board of the factory.

Relationship between the workers and the employer used to be negative, but recently it has improved. Workers can approach the employer directly, they do it infrequently, they have a right for someone from union to be present. The employer visits the factory floor to talk to workers but infrequently. In theory the employer is interested in the opinion of workers about the situation in the factory but in practice opinions of the workers are not taken into account. Each issue has to be taken to the employer individually. Information about the situation of the company is given to workers every 3 months.

Working conditions. The youngest workers employed in the factory are approximately 20 years old. Workers can enter and leave factory quite freely, however there are security guards who protect property, the whole building is monitored. Workers can take time off work when they do not feel well and the trade union assists them to insure that this right is observed, although they need doctors certificates for this. The workers can also resign easily (with observance of obligations related to the Labour Code) but due to the general shortage of labour the employer often tries to convince individuals to stay. The trade union representative did not know if any worker had any debt with the employer.

Remuneration is lower than in other factories, but the union is fighting for it to improve. The wages are calculated on hourly basis but there are no bonuses, no “13th month” wage, and the workers cannot participate in the profit of the company. The wages are paid on time, although sometimes employees do not receive payment for all the hours worked. The overtime hours are paid on the basis of a concrete rate known in advance, pay slips are received regularly and whole amount of pay is shown on it, with no additional amount received by workers in cash. The earnings of the workers (with pay for over time included) is close to the national average; the factory’s minimum wage is higher than national minimum wage. The factory minimum wage can be achieved working at an average speed. The annual leave holidays are paid.

Work time. There are two options available to workers. The first option is based on 12 hour shifts with workers starting 6:00 or 18:00, 2 days start at 6:00, then day off; then 2 night shifts, 3 days off. The second option is based on 8 hour shifts starting at 6:00, 14:00 and 22:00. Total break time during the shift is 30 minutes.

Gender and discrimination. According to the union representative at the time of the interview there were pregnant women working in the factory but the workers are scared to inform the employer about the pregnancy. In his opinion pregnant workers are „treated a bit better” and unions try to help them in this regard. Interestingly the interviewer, who had an appointment with the trade representative for a specific time had to wait for him for an hour and a half. As it was later explained the trade union had to respond to the urgent matter of a pregnant worker being dismissed. As he informed the interviewer „we managed to help the girl, everything was sorted out positively and we told her what she has to do next”.

The workers of the factory go on child rearing leave³³ and return to work after having a child. In most cases it is relatively easy to take time off work to care for a sick child.

³³ Currently in Poland according to the Labour Code after taking paid maternity leave, parents can take child rearing leave, which is not paid, but the position is kept for the parent. The childrearing leave can last up to 3 years and can be taken at any time before the child turns 4 years old.

The union representative was asked if workers are discriminated on the basis of any characteristic including gender. According to the union representative some women can feel that they are discriminated against and that it depends on their personal attitude. At the same time he stated that it cannot be definitely said that they never are, as they are sometimes omitted during pay rises, employed in difficult positions, and are overworked. At the same time the factory offers same wages for work of the same value for all regardless of gender. Women and men seem to hold the same positions, further the positions of masters seem to be dominated by women. Similarly in terms of promotion, equal rights are observed and there is no visible discrimination in the recruitment process. The trade union representative indicated that it is possible that sexual harassment could occur in the factory. He emphasised that the trade union tries to help workers to understand what constitutes discrimination.

Work Safety. There is a medical point in the factory and workers are trained to provide first aid. The medical point is staffed by a nurse and a doctor from 6:00 to 18:00. If worker does not feel well she can stop work and rest. The light in the factory is sufficient; there are no problems with dust. The temperature is sometimes a problem but the union works to improve it. Workers do not experience work related health problems and there have been some improvements made in the area of work safety in last 5 years. If dangerous chemicals are used the workers are protected. The factory has enough toilets (both for males and females) and according to the trade union representative there are no problems with accessing them. Sometimes there are small problems with safety but trade unions react to it immediately.

Restructuring. In last 5 years there were changes to part of the board. The workers were informed about it immediately. Unfortunately as a consequence of the restructuring the negotiations for the collective agreement were started for the 3rd time. Another consequence of it was moving of part of the production to Hungary. This is why employment was reduced and people were employed on a 4/5 time basis.

Impact on natural environment. The trade unions did not have extensive knowledge about the environmental impact of the factory. This can be partly explained by the fact that the role of the union is to focus on working conditions and employment protection rather than on other aspects of the operation of the company. The trade union representative believed that most likely the company has a policy on environmental issues and thought that the factory does not have a negative impact on environment. He was not aware of any dangerous chemical being used in the factory and stated that any hazardous waste is removed immediately; the factory has all the required related certificates (ISSO) and has to follow them.

5.1.2 INTERVIEW WITH THE WORKERS³⁴

The Electronics production workers interviewed for the purpose of this research were recruited either through contacts provided by the trade unions or directly approached by the interviewer at the front of the factory. If the women were interested they either made an appointment for the interview or provided the interviewer with a contact number in order to arrange a time for the interview later. From Karat's experience this method of identifying workers is the most effective in Poland, as reaching them through official channels such as through their employer, or advertisements in press is usually ineffective. Poland is also characterized by a lack of community networks through which workers can be contacted. In most cases the activities of workers are limited to family life and work and they are not members of any bodies, clubs, or associations through which they could be contacted. In most cases workers are concerned about their employer finding out about them talking to the interviewer and do not want the name of the factory to be mentioned in related reports, lobbying material or press releases³⁵. Although, in the case of Flextronics the women who were approached were quite happy to talk to the interviewer and all interviewed workers agreed to the name of the company being mentioned in the report or associate publications. This could be related to the fact that they feel safer in their workplace but also could be because of the fact that the factory is quite large and therefore it would be practically impossible to identify individual workers who agreed to talk to Karat. After agreeing to an interview, workers were interviewed in a neutral friendly environment of their choice (usually in their family home or in a coffee shop).

Profiles of interviewed women. There were 8 women interviewed. The youngest was 27 years old, the oldest 49. Two women were in their mid 30th, five in their forties. Three women had secondary technical education and 5 vocational training, most worked as production operators or machine operators. One of the women has been working in the factory since 2000, two started very recently (in 2007). One had a more complex work history related to Flextronics:

“They took me on last year in September, but dismissed straight away. Firm called ADECO employed me; I didn't really look for work”.

Six workers had permanent employment, one of them had fix time employment contact and one was waiting for permanent contract.

About the factory. What is important to note is that the workers had a much more negative picture of the work in the factory than the union representative. Some women, when asked questions about the factory, its production and employment trends, emphasized the fact that the work in the factory is hard and tedious. Furthermore, a majority of the interviewed women seemed to be quite disengaged from their workplace which was demonstrated in a limited knowledge or interest in the information about the factory. Most of the workers believed that the factory employed “around 3000” workers. Some had problems with describing what positions are available in the production, and some evidently were not interested in it:

“I don't care what positions are available, I only know what I do and this interests me”

³⁴ During the empirical research Karat made several attempts (via telephone, without entering formal correspondence) to interview representative of management structures of Flextronics factory based in Poland. Unfortunately this was unsuccessful. The dialogue started after Karat has mailed a draft of report to the Flextronics in Tczew the beginning of January 2008. The copy of the response received from the company on 4th of February is provided in Appendix 1.

³⁵ This has been experience of Karat in projects related to working conditions in production of clothing including research conducted for the purpose of the report “Work Conditions of Women Working in Cloth Factories in Poland” and research conducted as part of the project “Fair Play in Sporting Goods Production” (the report based on this research will be published Karat by the end of 2007).

Similarly workers described production of the factory in very general terms: “electronics”, “elements for Nokia and Ericsson”, “phone parts”. And had a very general knowledge of where the products are exported to. Most women mentioned “different countries” and “whole world” but specific countries mentioned included: Sweden, Finland, United Kingdom and Brazil. The interviewed women had very limited knowledge of the existence of the Code of Good Practice of Clients or the Corporate Social Responsibility policy of the company. At the same time they were aware (noticed) clients and potential clients visiting the factory and talking to the management (but not the workers):

“Very often dolled up strangers hang around factory. They talk to the management. What would they talk to us about?”

The workers seemed to be much better informed and interested in issues related to forms of employment and practical aspects of work conditions (in contrast to provisions related to working conditions that may be covered by CSR and the Code of Good Practice). For example the interviewed women were certain that no employee in the factory is working there informally. Most of them knew that the factory does not have a collective bargaining agreement. In terms of employment trends they noticed and complained about the rotation of workers and very low wages. Some were concerned about workers being employed by the external employment firm Adecco:

“There are workers employed by external firms, and not via employment agencies. Wages don’t change”.

All the interviewed women believed that it is very easy to get new workers, especially for the production:

“It must be easy to get new workers if they dismiss people all the time”.

The situation was much better in relation to the **Factory Work Code**. Only one worker who in fact seemed to be least informed and interested in the issues related to her work place beyond her task and who seemed most disengaged and alienated from the workplace did not know if it existed. All other workers knew it existed, with one believing that it was currently being negotiated. The approach to its contents (“Wages, how you have to work, leave”) as well as the relevance of it to the workers was generally not very positive.

“They tell us to read it over, and over, but we don’t have time because there is work to be done. It is placed at every work station; we flick through it when we have a free moment. It tells you how you are meant to work”

When asked about observance of the Factory Work Code the response was also quite telling:

“I think so (*it is being observed*), otherwise they would yell at us”;

“Not really, with the code is like with work safety – they are not always observed”.

All the interviewed women but one were aware of the existence of the **social fund** and are aware that it is used for such purposes as gift vouchers at Christmas and Easter, summer holiday subsidies, and emergency assistance.

Trade Unions. Three out of 8 interviewed women were members of the trade union. One of them was an active member (secretary). Naturally it was this woman who was most knowledgeable about the role of the union in the factory. She believed that that the management does not have an open attitude towards the union.

“We are an inconvenience for them. I experience it myself when I try to negotiate something”

She believed that recently the union had some successes in improving the work conditions in the factory where the management “had this attitude to introduce terror, to make people work better. The situation change when HR manager has changed”

She believes that the union fulfils its role but also understands that not everybody may see it this way:

“If you look at it from outside maybe not, but if you look from the inside yes, because it is really difficult to negotiate anything”.

The other two workers who were members of the union also had positive opinion about the union fulfilling its role stating that every time she approached the union they helped her or tried to help her.

The opinion was different among those respondents who were not members. In most cases they were not interested in the union, or believed that they do not have time for being a member. One woman complained about lack of information about the existence of the union. One respondent was quite critical of the activities of the union stating that she complained about the condition and the size of her locker which she shares with another (unknown to her) woman and believed that the union „did nothing”. She in fact asked the interviewer to tell the unions and the management about the locker issue. Interestingly one of the union members emphasised the fact that union is continuously trying to improve the locker situation.

A majority (7) of the interviewed women have little knowledge and evidently lack interest in any **industrial actions** or other conflicts between the workers and the management. They in fact underlined the fact that any such actions have a limited relevance to their working conditions:

“There was something like that (conflict), but we don’t care about it, we are not told everything. Just new managers appear”.

“Some white collars got changed then and somebody in the management. For us it didn’t mean anything”

Quite a different perspective is presented by 2 out of the 3 women who are trade union members. They were able to describe in detail recent industrial action, the reason behind them and their consequences:

“There were conflicts. Former HR manager did not treat us seriously and created problems with unions and workers. We were meant to be employed $\frac{3}{4}$ time only for 3 month and she was doing everything not to change it. There were also disputes regarding overtime.”

“There was a strike two years ago. And this month 2 hour long warning strike at night in the second production floor. It was related to pay rises, the workers who have been working for 3 years already were earn less then those who just go employed.”

Attitudes of workers to employer. While a majority of workers did not have a negative attitude to the „boss”, which for the purpose of the interview was defined as the top manager of the factory, their approach was quite ambiguous. Five responses can be classed as neutral and three as positive. But the boss was generally seen as someone extremely external to the sphere of activities and actions of the interviewed women and in fact almost external to the entire factory, and someone to whom the workers has no real reasons to talk to:

“Boss is not too aware what is happening in the factory”

“Good (*attitude*). But I don’t have any contact with him. In theory I can contact him, but what for?”

Practical factors such as language and the fact that he is a foreigner contributed to the barriers. None of the women talked to the boss directly, although all but one of the interviewed workers saw him walk through the factory floor. One of the women stated that communication between the boss and the workers is conducted through the unions. One person also indicated that while the boss’ relevance is limited, talking to him could have positive effect. The quotes below describe the best of all the above sentiments.

“They change so often, that it is neutral (*attitude*). They are not Polish. They are foreigners on contracts. They don’t care about workers only results count for them”.

“How can I know the boss? There is a language barrier, the boss is a foreigner. But once when someone approached him (through an interpreter) the boss dismissed a bad supervisor”.

Workers either did not know if the boss is interested in the opinions of the workers or believed that he was not. Only one person believed that he is. Two of the respondents had quite sceptical approach to communication with the boss complaining that once when he walked through the floor they were only asked why they are not wearing proper work shoes. The women highlighted the fact that such footwear was not provided to them by the company.

According to the respondents **information about the situation of the firm** is given at meetings on the factory floor where management informs the workers about the plans of the company, what production will be started; about additional employment or its lack. This information is not given often but is given. All of the respondents expressed interest in this information although some of them did not know who is responsible for it („someone send by the management”). Some of the respondents did not believe that the information provided is sufficient.

“From time to time they tell us something. Someone from management communicates it. The information is not always sufficient and understandable. The only thing which comes out of it is that there is less or more work”

“They don’t inform us too much, only sometimes they say something, but mainly about what is to be done”

All of the respondents had a good relationship with their direct supervisors, which were both women and men. There was, however, a mention of a „bad” supervisor in the past.

“Besides one person I have very good supervisors. The bad person was dismissed, there were complaints about him. He had bad attitude to people, particularly women”

Only the attitude of one of the workers can be described as neutral. All of the interviewed women stated that they could talk to their direct supervisor about diverse.

Working Conditions. According to the interviewed women, the youngest workers are 18 years old. The workers cannot walk out of the company’s grounds freely, firstly there are ID cards which are checked upon entering and leaving and secondly there are security guards on the gate who also patrol the factory floors. But all the workers stressed that the security guards are nice, polite and respectful towards the others. If the worker wants to leave before the end of the shift she has to get permission from the supervisor and work the time off later. While most of the workers believe that it is relatively easy to take

time off work on the basis of doctors certificate (if you do not feel well due to illness, tiredness or pregnancy), there were some reports that this is not the case:

“And this has been a problem recently. When a worker brings official doctor certificate form, she has to explain why she took time off and what her sickness was”.

From the interviews conducted there was no indication that any of the workers have a debt with the employer. All the respondents were certain that workers can resign very easily, with the observance of the Labour Code which in the case of permanent workers means giving appropriate notice, but that even this can be negotiated.

Gender and gender discrimination. Issues related to gender and gender discrimination as well as any other forms of discrimination³⁶ were quite difficult to discuss during the interviews. This was partly because a majority of the interviewed women did not have a very clear understanding of discrimination and/or believed that discrimination, whilst being negative, is a necessary element of factory life. For many of them gender discrimination was understood in terms of co-workers or supervisors being polite towards the women.

“What does it mean (discrimination)? Of course women are worse off. And there is a variety of fellows here. Sometimes when some of them open their mouth, it’s a fright, but some are nice.”

“You can feel discriminated sometimes because the bosses often address women in unpleasant way. They also make stupid jokes and are impolite.”

“It’s very nice here, the environment is very friendly. Men treat women well.”

Three out of 8 interviewed women believed that no discrimination takes place in the factory. But even one of those women stated that it is easier for men to be promoted. She added further that historically top positions were always held by men but now since there are not enough men they take women. This lack of men can be linked to the mass migration of Polish workers to „old” EU states.

All of the respondents did not notice any discrimination in recruitment and in terms of wages. It was generally believed that differences between wages are related to the production line and not to gender or any other characteristics of the workers. The promotions, however, were mentioned as an area where discrimination can take place.

One respondent however believed that she is discriminated against due to being a member of the union but also that it is harder for women than men.

“I feel discriminated due to trade union association. The boss does not understand our actions, does not cooperate. Men have it easier. They somehow reach understanding (it’s a form of solidarity of sperms). Our higher superior does not have good attitude towards women. He treats men better (...). The higher superior believes that women are stupid and they are only good for work. He can be very rude.”

For most interviewed women, sexual harassment was reported as occurring in the past but not at the present:

³⁶ The interviewed workers were asked about discrimination related not only to gender but also to age, race, ethnicity, religion etc.

“Before yes, we were all harassed by the former superior; very often we heard inappropriate comments. When there was a questionnaire done in the factory he got very bad evaluation. They didn’t throw him out, but moved him to another section and then he got himself another promotion”.

“Apparently it took place in the past, but now I didn’t hear anything about it”

But one believed that sexual harassment still was not eradicated:

“It still happens. If a woman is sensitive she suffers, one woman quit because of that, but another one went and complained and they dismissed the guy”

None of the workers noticed any programs that have been implemented by the company in order to eradicate discrimination including gender discrimination. Some thought that the company is not really concerned about this issue.

“Difficult to say (*about the anti-discrimination programs*). Do they care? Only profits count. Maximising our use. Our factory looks nice from the outside but inside it is falling apart (changing rooms!)”.

Assessing of the gender relations in the workplace can be done through looking at issues related to gender roles and stereotypes but not necessarily perceived as discriminatory. This can include impact of **pregnancy** and childrearing on the working life of employed women. Most of the interviewed women did not see visibly pregnant women working in the factory, with many adding that pregnant women go on pregnancy leave.

One woman reported that on her production line there was a pregnant woman once and that she was moved to better work during the day shift, but added that women with visible pregnancy usually go on pregnancy leave³⁷. This could again indicate that the company did not have the necessary provisions to make it possible for pregnant women to work. This assumption could be supported by the following statement by one of the respondents:

“Management doesn’t like pregnant women. The supervisor even says that pregnancy is the civilisation illness”

“A friend was pregnant, but she went on pregnancy leave straight away. I don’t know if she will come back to factory after the baby”

There was no consensus regarding whether women take child rearing leave³⁸. The general belief was that some women take child rearing leave and others do not. Some of the interviewed workers suggested that as the child rearing leave is unpaid they cannot do it for economic reasons.

Only one woman believed that taking time off work to look after a sick child is easy. Others believed that while it is possible it is not easy.

“You have to cry and beg for it”.

“Yes, you have formal ‘caring for sick child’ form and they call you and make you explain yourself”.

³⁷ In Poland, according to the Labour Code, sick leave is paid as 80% of the wage, while sick leave due to pregnancy (where the doctor believes that the pregnancy is at risk or that working creates a risk to pregnancy) is paid at 100%.

³⁸ According to Polish Labour Code a parent (either mother or father) is entitled to 3 year unpaid child rearing leave, which can be taken before the child turns 4.

Still women take it:

“We just take sick leave and that’s it. But you hear a lot from the higher supervisor...”

Another worker had a much drastic story to report:

“A while ago they employed a young girl (25 y.o) she was meant to put her child into prep school. But after two weeks they came and told her not to come to work anymore. She was devastated.”

Remuneration was the main issue highlighted by the interviewed women. After tax the women earned between 800 and 1300 PLN (app. 200 – 325 Euro) per month. Three earned 800 – 900 PLN, another three 1100 – 1200, one 1300 and one did not know due to the short time of work in the factory. All of those amounts included payments for overtimes. The workers do not receive any form of bonuses beside a 30 – 40 PLN per month bonus for ‘availability’ which is paid to those who do not take sick leave etc. At the same time however the wages are not decreased if the worker is less productive. One worker, however, believed that being less productive is impossible anyway:

“Because they watch us so we work and don’t f*** around”

The workers earn their pay either working 12 hour shifts or 8 hour shifts, but this did not seem to impact on the wages received. More detailed description of working hours is available in the next section. The wage is paid on time and is calculated on the basis of hours worked but it is permanent (i.e. the workers work a specific fixed amount of hours per month plus overtime). Overtime is also paid on the basis of permanent rates known in advance. The workers do not get a ‘13th wage’, they cannot participate in the profits of the company. They do not receive any additional amounts in cash. Generally they receive pay slips regularly with the entire wage shown on it. Mistakes in pay are very infrequent.

Most of workers however state that the wages are not sufficient to cover even basic living expenses.

“You must be kidding, you can’t survive on such wage. But you have to live somehow”.

Women survive because they live in two income households, in some cases they also receive assistance from family (parents). For those who did not have two wages the situation was much more difficult:

“It is very difficult. My husband is on sickness benefit, he gets 800 PLN. We have to borrow to make the ends meet”.

The women whose children are already independent highlighted the fact that this helps to survive on their limited income. Six woman stated that in other factories in their town there are better wages, one did not know how they compare “because it’s a secret” and one believed that wages in all the factories are comparable. The respondents had a general knowledge of national minimal wage and factory minimal wage but since in all the cases their actual wages are higher than national or factory minimal wage, this knowledge is not particularly relevant or helpful.

Working time. Three of the interviewed women worked in a so called 4 team system which involved 12 hour shifts, with two fifteen minutes breaks. This system is organised in such a way that workers have two days of 12 hour shifts followed by two days off and then 2 night shifts followed by 3 days off. Other workers work 8 hour shifts, five days a week. One of the interviewed workers highlighted the fact that the work systems change and that this change depends on the amount of production.

Holiday Leave. All interviewed women were entitled to paid holiday leave guaranteed by the work code. However the workers reported that besides the summer holiday season when it is planned that workers will take 2 weeks off, due to production demands it is very difficult to take leave.

There is always work to do, and if you don't like that, you get dismissed quickly.

On the basis of the interviews it can be said that **work safety** is quite well observed in Flextronics. The workers not only did not complain about work safety, which is particularly striking in comparison to their negative opinion about their wages, but in fact a number of workers expressed their satisfaction in this respect:

“I am not too well informed, but generally speaking work safety is quite OK”

In the factory there is a medical facility available from 8 am. It is staffed by a nurse and a doctor but workers told us that at specific times specialists including a dermatologist and optometrist are available. The workers also have breast examinations. If a worker does not feel well she can go to the doctor but it was reported that it is difficult to get an appointment. At the same time, some workers reported that you cannot stop work if you do not feel well (also due to pregnancy) since:

“(...) the boss tells you off straight away”.

The workers reported that you can stop work only if you are going to the doctor.

“You can't rest. Absolutely no. You can go to the doctor but rest – of course not!”

Only one of the interviewed women complained about the light stating that it is too bright. All the others believed that the production floors are well lit.

The temperature was the problem. All but one of the interviewed women complained about it and some reported fainting incidents.

“Temperature is not good, too hot, ventilation does not work well, so they put in fans, but it doesn't help much. In the mornings, on other hand, it is very cold. Due to the heat (temperature was close to 40) there were fainting episodes. It happened several times. Finally the ambulance people said that if this will continue they will call appropriate services to the factory and make a report”

Even the worker who believed that heat is not a problem stated that

“It is hot, but they put fans in”.

Some of the workers reported that dust is a problem and that they do not get protective masks. But this was not seen as a major problem. In terms of protection some workers reported that there are protective glasses, and in some sections masks and ear plugs. One worker however reported that the protective glasses lead to health problems:

“Recently because of those glasses yes (*there are health problems*). You can't have them on for 8 hours, but we do. Even in the positions which don't need that. They introduced such a rule after one lady lost her eye.

While most of the workers did not report work related health problems, those who reported them mentioned problems with sight; joints; back and wrist pain. One worker believed that work related health problems depends on the person, but if you work longer those problems emerge since:

“The work is hard and difficult. Firm does nothing about it.”

Accidents happen quite regularly but they are quite minor and usually involve small cuts, twists and burns. When an accident occurs a report is prepared, and if it is not the workers fault you can get compensation and 100% of sick pay.

One worker stated that: “Workers complain when women for example have to lift 20 kg packages over the work safety limits, it causes injuries.”

Most of the workers noticed fire equipment and some reported fire drills. The women told us that dangerous chemicals are used in the factory but the workers using them were trained, work safety is strictly observed when they are used, and the substances are marked. Furthermore some of the workers reported that they participated in safety training when recruited.

All the interviewed women stated that there are enough toilets, which are clean and well maintained. There are two toilets for disabled persons. Workers can use the toilets freely. One worker reported that in the past she experienced problems but since then the situation has improved:

“One day a supervisor was telling me something about it [*using the toilet during working time*], so I just said: ‘what should I do with this sanitary pad?’ He shut up straight away and never made any more comments”.

One of the interviewed women reported that work safety personnel made a special box for workers to submit their comments related to safety. If a worker reports some real risk and their suggestion is implemented she/he can get 500 PLN.

The workers, including those who were union members had quite limited knowledge about any restructuring that took place in the company. Their attitude towards it was either negative:

Two years ago, bosses were changed. The impact on workers: “Don’t know. They just keep on increasing the norm”

One worker (who had a function in the union) provided a very comprehensive overview of restructuring that took place over last 5 years. She reported that during that time top management had been changed many times, and that now there is a third HR manager. A new production floor was established, and a significant number of machines were inspected and changed. The changes implemented depended on production projects. The factory also experiences the rotation of workers. She reported that workers were informed about changes in management. The consequences of restructuring on workers were quite significant: when production was limited they worked only $\frac{3}{4}$ time. After that, the union fought for full time hours. In the past the company paid for transport of workers from Gdańsk and the surrounding area, now the workers have to cover travel costs themselves. In 2007 some production was moved to India.

Most of the other interviewed women saw a limited link between restructuring and the situation of the workers:

“For us nothing changed. The wages don’t increase and work is hard. For those on the ‘top’ things change or they are changed”.

Knowledge about production being moved to other countries and its impact on the workers was even more limited:

“There was something. But don’t know if I can talk about it. The client decides about moving of production”

More concrete information included reports that in 2007 some production moved to India and that some production is moved but it is difficult to say where.

Summing up, half of the interviewed women were generally happy with their workplace, even if all believed that the wages should be higher in order for the workers to be able to survive on them. They also saw the positive side of working in Flextronics, such as wages being paid on time; trade unions fighting for workers (this was expressed only by union members); if mobbing occurs workers are able to report it to the union; being able to assume that a second contract will be permanent.

The negative aspects of working in Flextronix included low wages, very high, irreparable health impact, some problematic supervisors, although it was noted that it depends who you get as some women mention that they have exemplary supervisor:

“You can count on her, she is fair”

The most negative comment made by a worker who was asked to sum up her thoughts about the company was:

“The worse thing is that you can say that there is terror. All that the company cares about is profit. The management elite are old workers; they make a click, and do what they want. You can’t say anything, or they will dismiss you (it happened in the past). Now a boss has changed. We had a meeting with him. How nicely he talked! Every new one says beautiful things. He promised pay rises, fixing of air-conditioning, he talked about new orders”

While several workers were disenchanted, alienated from their work place, not very well informed about company affairs including issues very relevant to workers and not very interested in such information and seemed general quite unhappy, a proportionate number of workers seemed to be happy and understood that any workplace can have its good and bad sides:

“Once is this way, the other time different, just like at any work place”

Two workers were in fact very happy with their work:

“So far working here has only pluses. Work Safety is observed, it’s clean, they look after the factory, everything can be arranged and sorted out. And you have to work wherever you are”.

These workers were happy with their work despite the fact that they were some issues they were concerned about. This is illustrated very well by the statement below, which was combined with a request to the interviewer:

“It is a good job. I work here already for five years. I can’t complain. For a woman my pay is not that small. But those [*smelly*] lockers really bother me. And the heat, there is no air conditioning. We asked them many times to do something about it, but asking has no effect. I know that you were in our factory in Tczew and

talked to women. Tell them; tell the bosses and the unions to do something about those lockers and air-conditioning.!”

5.2 ZATRA S.A.

General Information. ZATRA S.A (full name: Zakłady Transformatorów Radiowych Zatra S.A., which in English means Radio Transformers Plant Zatra S.A) produces for Optimum S.A. – A Polish producer of desktop computers and laptops. The factory is located in Skierniewice near Łódź (central Poland). The production is managed by OPTIMUS S.A. which is a Polish company with headquarters in Warsaw³⁹. The factory is quite small with only 50 workers employed⁴⁰ in the production of desktop computers and laptops for OPTIMUS. According to press reports, the company assumes that if it will have more orders it will employ more workers and introduce shift work. The trade union which is active in the company is NSZZ Solidarność no. 10/4.

ZATRA⁴¹ has operated for 50 years, producing transformers and small electronic components. It concentrates its production on transformers and coils for different kinds of computers predominantly for foreign firms. Over 50% of ZATRA’s products are exported to other EU states. ZATRA was established in 1957 and during the previous socio-economic system it had a monopoly of the production of transformers used in Polish televisions and radios. In 1995 ZATRA became a joint-stock company, it found its place in the new market economy as a producer of high quality transformers, coils and chargers that meet national and international standards. The change in the owner of the company led to the development of a new strategy which includes mass production of induction elements, production of power units and elements of lamps used in cultivation of plants, and what is particularly relevant in terms of this research, assembly of computers. From January 2006 ZATRA is involved in the assembly of laptops and computers for the Optimus S.A. It also acts as a storage and distribution center for Optimus.

According to the website of the ZATRA, the company is worker focused: it offers opportunities for career and skills development and promotion through training as well as work in an experienced and well functioning team. The employees use modern work equipment, and have well equipped office and administration facilities.

Again, according to the website of Optimus S.A. ⁴² the company is one of the well known and respected brands in Poland and Europe. During its existence, the company received certificates of quality such as ISO 9001-2001, ISO 14001-1998, CE. Optimus S.A. was established in 1988 and is a leading national producer and distributor of computer equipment and provider of IT solutions operating in the Polish market. In 2006 the company announced a new strategy for the years 2006-2008 based on outsourcing of assembly of computers to ZATRA in Skierniewice, and moving of their headquarter from Nowy Sącz to Warsaw. The first computers produced in the new factory appeared on the market in 2006. The decision of outsourcing production was prompted by global trends in the IT industry related to the need to decrease production costs. This change of strategy led to an increase in the firm’s participation in the sale of laptops. The future plans of the company are associated with development of its product ranged in the area of portable equipment. The firm is successful in selling its laptops in all segments of the market; it has also moved into the public orders area.

Work in the ZATRA factory is done during standard working hours from 8 – 16. There is no shift work.

³⁹ The shareholders of the company Gekko Holdings Ltd. - 50%; Optimus S.A. - 45%; Others- 5%

⁴⁰ Data from the media reports and the websites of the company.

⁴¹ Information derived from the website of the company <http://www.zatra.pl>

⁴² www.optimus.pl

For the purposes of this research, extensive efforts were made to interview women working in the factory. Unfortunately this was impossible despite attempting to engage with women at front of the workplace and the contacting by telephone of a number of women whose contact details were provided by the trade union representative interviewed for the research. Women contacted by phone either said that they are too busy and asked to be called later, and repeated this request several times upon being called or did not answer the phone or did not come to the phone when answered by family members.

Recruiting participants for the interviews at front of the factory was difficult or practically impossible since the factory is located on the outskirts of the town in a fenced off area, with security guards at the gate. The workers were either driving in by cars in groups, or came by bicycle. The interviewer talked to a number women on bicycles but without any success. It could be speculated that since the factory was so small the workers did not want to talk to the interviewer as it would be extremely easy to identify them. Alternatively it could be suggested that their working conditions were satisfactory to them and this is why they did not want to talk to the interviewer. As a consequence only the interview with a trade union representative and the manager of the human resources section was conducted.

5.2.1 INTERVIEW WITH THE TRADE UNION REPRESENTATIVE

Trade Union operating within the factory is NSZZ Solidarność and the trade union leader for the company was interviewed for the Karat's research. Overall the trade union leader was quite happy with the working conditions in the factory and the general environment there including the relationship between the employer and the workers and the employer and the trade unions. He emphasized the fact that it is an 'old' team, so most of problems were already resolved.

The factory is owned by private company. It produces transformers, coils, chocking coils and assembles computers including lap tops. There are 200 workers employed in the factory most of them women. They are employed on the basis of permanent contracts and fixed period contracts (in the case of young workers). Positions available are foreperson; normal worker; master. According to the trade union representative the employment trends observed recently were those of stability, there is no significant rotation of workers, very few new persons are hired and as a consequence the team is old and close-nit. The clients of the factory are from Germany; France, USA. There is a clients' code of good practice and workers "probably know about it" as "it hangs on the board". Unfortunately the workers "probably don't know" that it gives them certain rights. When asked if guests/clients come to the factory the trade union representative stated that:

"They sometimes come here, I see them, but infrequently. They talk to the management. What would they need to talk to the union for?"

Apparently the company has a CSR policy but the union representative had problems saying what exactly it involves, but believed working conditions are part of it.

One fifth of the workers are in the **trade union**, and half of the members are women. According to the union leader the management has a good attitude towards the union. The fact that the human resource manager was prepared to talk to Karat as part of this research shows that there is generally a good approach to workers. The main tasks of the union include issues related to wages, dismissals; any inappropriate behaviour; consolations. Since the workers are a small team, communication between the union and the workers is done through direct contact. There is a union representative on every production floor. There is a collective agreement focusing on work security and protection of workers, for example it specifies that a

worker cannot be dismissed on the spot, and further protection of workers. During the last 5 years there was no industrial conflict in the factory. There is also a factory work code focusing on work hours and a social fund. It is generally observed. The company has a social fund which gets 'consumed' through vouchers, financial assistance (for example once a worker's house burned down and the worker received assistance from the fund).

When asked about the **relationship between the workers and the employer** the trade union representative stated that:

"Workers don't really have any contact with him. (...) They can contact him directly, but they usually do it through me".

The owner does walk through the factory, sometimes to talk to workers, and is interested in their opinion about the issues related to the factory. Unfortunately the workers don't get informed about the strategy of the firm.

Working conditions. The trade union representative told us that the youngest workers are between 20-21 years of age. To leave and enter the factory, workers require a pass. There are security guards who check the workers at the gate, but also walk around the factory grounds but do not enter the production floors. At the gate there are also metal detectors. The workers can take time off if they are ill or do not feel well due to pregnancy as well as other factors but they need a doctor's certificate for that. Workers can freely resign and none of the workers has a debt with the employer.

Remuneration is similar to other factories in the town. On average the workers earn 1100 PLN (app. 275 Euro) before tax. The company's minimum wage is 900 PLN. The wages are calculated on an hourly basis. Calculation of wages on the basis of piece work was eliminated 10 years ago. The workers do not receive '13th wages', some workers, but not many have shares in the company. Usually the wages are paid on time and they are paid for all hours worked. Overtime is paid according to the position of the worker and pay slips are received regularly. Sometimes workers get performance bonuses in cash.

Work time. The workers work 5 days, 8 hours a day with two shifts 6-14; 14 -22. During each shift they have a 15 minute meal break and then 5 minutes every 2 hours for a cigarette break.

Gender and discrimination. The trade union representative did not report any visibly pregnant women working in the factory. Generally he was not very well informed about gender related aspects of work: he also did not know if workers use child rearing leave nor if they come back after having a child. Although he believed that it was easy to get leave when a child is sick. He never heard of any discrimination in the factory including on the basis of gender. He stated that equal opportunities with regard to promotion and training are observed and that masters and forepersons are usually women. He also stated that there was no discrimination in recruitment, and no sexual harassment at the workplace. The company does not implement any antidiscrimination programs.

Work Safety. There is a nurse available for 8 hours on every work day, and there is a doctor available occasionally. According to the trade union leader, workers can stop work when not feeling well. There is enough light in the factory, no dust, no harmful chemicals are used and there are enough toilets, which are nice and were recently renovated. The temperature is also appropriate:

"There was an inspection and they checked everything".

Workers do not experience work related health problems. Recent work safety improvements included introduction of special chairs, computers, and soldering not done using the traditional method but automatically. The accidents that occur in the factory include: electrocutions, squashing; cuts. When an accident takes place:

“A protocol is made, worker goes on leave. If the accident is the employer’s fault, the worker gets compensation. There are not many work accidents.” No harmful chemicals are used.

Restructuring. There was a restructuring in last five years but it did not lead to a change of workers or management. There was also no group dismissal only some workers went into early retirement. As a consequence of restructuring the building was renovated, new machines were brought in, and new desks were installed. The consequences of restructuring to workers were limited:

“There were no dismissals, the wages are low any way, and they didn’t decrease them”.

Impact on natural environment. Similarly to the trade union representative from Flextronics the union representative from ZATRA also did not have extensive knowledge of the company’s impact on the natural environment. He believed that the company “probably has” rules regarding environmental impact, but he himself thought that the factory does not have any such impact. He also stated that the factory

“Doesn’t use any dangerous chemicals only varnishes. If they are not suitable for use the company which supplies them takes them back”.

5.2.2 HUMAN RESOURCES MANAGER

The fact that human resources manager agreed to talk to the interviewer could suggest that the relationship between workers and the employer is quite good. While she did not provide very extensive material, the main points of the interview are summarised below.

The factory is owned by a joint venture: Polish and foreign capital, investment fund/bank, and a private person. It produces transformers, coils, lamps. It employs 180 persons, 142 of them in production, 94 are women, 86 are men. They are employed on trial contracts, time contracts and permanent contracts. The main available positions are manual: fitters, winders. The recent trends in employment were:

“decrease of employment, due to decrease of production, and the fact that people went to England for work. Generally speaking employment is stable, recently there are problems, maybe this is because of summer vacations, we have four positions for manual workers which are vacant for some time now. It is easier to find white collar workers.”

Workers do not resign often and it is not easy to get new ones. Products of the factory are exported to Germany, US, France. When asked about the Good Practice Code of the clients she responded:

“I am not too sure what that is. We probably don’t have a typical one, but our company has quality standards (ISSO) and is obliged to fulfil some standards, also as far as work conditions are concerned, and of course it fulfils them.”

The HR manager reported that there are visits of clients to the company, sometimes as often as four times a month. Additionally there are quality audits. She did not know if the company has a CSR policy.

She reported that management has a good attitude towards the trade union and that the union provides assistance when the employer talks to workers, as well as in relation to the allocation of social fund vouchers etc. She was aware of the existence of a collective bargaining agreement but was not too sure regarding its content:

“(…)…Recently I didn’t look into them. But mainly it guarantees that in case of group dismissals there are talks with the unions. But here for over 10 years there were no group dismissals”

She reported that the factory work code exists and is observed. And she thought that the social fund which normally is used for vouchers is currently suspended but she was not too sure.

She believed that the **attitude of workers towards the employer** is good, and that the workers can approach the ‘boss’ directly. She also stated that the workers are informed by management about the strategy of the firm on specific occasions.

In relation to **working conditions**, she stated that the youngest workers employed in the factory are 19 years old. They can come and leave the factory grounds freely, and that the security personnel are focusing on “protection of people and property”.

The average **wages** of production workers are around 1100 PLN before tax and they are similar to wages in other factories. The workers do not receive bonus or ‘13th wage’.

Similarly to the trade union leader she stated that workers work 5 days a week. But besides day shifts: 6-14; 14 -22; she mentioned a night shift: 22-6. She also stated that workers have a 30 minute break

Gender and gender discrimination. The HR manager reported that there are no visibly pregnant workers, and that women use child rearing leave, (but they do not back to work after having a child). It is also easy to be granted leave when a child is sick. She also believed that there is no discrimination in the factory on the basis of gender or other characteristics and that equal opportunities are observed.

In relation to **work safety** she has stated that there are no problems and if any accident happens a protocol is prepared.

She stated that over the last 5 years the company did not undergo restructuring. She also believed that the factory does not have any **environmental impact**.

6. CONCLUSIONS

Although this research does not claim to be representative for the entire electronics sector, or even to provide statistically relevant data on factories where interviews were conducted, the outcome emphasises the need to monitor the working conditions and the environmental impacts of this expanding sector in Poland. Special emphasis should be placed on foreign companies entering Poland, especially since in the case of some companies, policies relating to working conditions; wages and environmental impact are very well developed and successfully implemented in their home countries. At the same time companies with a history of substandard work and wage conditions as well as bad environmental records should be scrutinised when entering Poland. While new jobs and new investment for Poland are desirable, we need to make sure that workers working in newly established factories are treated fairly and are not exploited. As an increasing number of Polish workers vote with their feet and migrate to neighboring EU states, demands relating to improving wages and working conditions can and should be made by consumers, workers, trade unions and society in general.

It needs to be emphasized, that despite the fact that the electronics industry in Poland is offering really low wages, partly because it is not the only industry offering such wages, and partly because the workers themselves lack resources allowing them to demand better conditions of work including wage conditions, the issue is not likely to attract media attention and/or be addressed by decisions makers in Poland and other EU states. This can be addressed by two approaches. The first approach would be of a more broad nature and focus on activities aimed at having improved working conditions in the electronics industry integrated into activities focused on improving work and wage conditions in general across Poland. The second approach should focus more specifically on the electronics industry where consumers themselves would take greater responsibility upon themselves to request the electronics industry in Poland (including both companies which already operate in Poland as well as those which are planning to enter Poland) to ensure that they offer Polish workers working and wage conditions comparable to those in other EU states.

Big brand electronics companies need to take responsibility for the labour abuses that are occurring in their supply chain. Consumers should demand more responsibly produced electronics goods, ask questions and communicate to big brand electronics companies that they want to buy products that are sustainable and ethically produced.

APPENDIX 1

Below is a statement received from Flextronics in Tczew received by Karat via email on 3rd February 2008.

Flextronics International Poland began its operation in April 2000, when the company decided to build a modern Industrial Park in Tczew. In November 2000, the first factory was given to use and in July 2006, the second one was opened. Both buildings have currently separate organizational structures, two General Managers and different types of production.

Flextronics International Poland is regularly being inspected by various organizations such as State Labour Inspection. All the remarks and motions have been taken into account and immediately implemented.

Since October 2006 Flextronics doesn't hire employees on 4/5 dimension of working time. All employees are offered full time contracts. In the report there was also information about employees working on 3/4 dimension of working time - such situation didn't take place⁴³.

In Flextronics there are two time working systems: three-shift system (8 hours) and equivalent system (12 hours). In equivalent time working system all employees are entitled to 20% additional bonus.

All direct workers are entitled to a competitive quarterly Perfect Attendance bonus.

Temporary workers are employed by the temporary agencies in accordance with enforced legal act.

All the legal rights of pregnant women are respected in Flextronics. The superior has an obligation to transfer the women to another post, to easier and effortless job. At the company there is also a room dedicated for mothers, in which they can feed their new born child. Those superiors, who were incompetent and treated women in a degrading manner, were reprimanded and one was dismissed. Recently we have implemented a training session for our Team leaders. They are instructed how manage human resources and treat people with respect and in a proper way. The purpose of the Training session is to describe the leadership Traits: Honesty, Loyalty, to sound Judgment.

In point 5.1.1 (interview with the Union representative) "Remuneration" – states that: "The wages are paid on time, although sometimes employees do not receive payment for all the hours worked" – All employees are being paid for all the hours worked. If there are some differences caused by mistakes they are corrected and paid with the next payroll list.

With reference to low wages remarks, we have done a salary review according to the market. The salary increase is noticed and by step we head for better employees' financial situation.

The problem with Air-conditioning has been solved on September 2007. We bought more lockers and at present every employee has his own locker. Remunerations are being reviewed on regular basis.

Flextronics enables its employees to develop their careers in an international business environment. We take care about personal development at Flextronics, we offer education subsidizing for direct and indirect employees. All employees are entitled to participate in internal recruitment which gives equal opportunities to all employees despite gender.

The employer conducts a weekly Lunch Meetings with production workers. The goal of holding the meetings is to create a communication channel between management and direct workers. There are five random people selected from a production area for each of the meeting. Employees have a chance to share their problems with employer. Every three months the problems are being considered by Management Team and the PDCA (Plan, Do, Check, Action) is implemented. We also organize a Quarterly

⁴³ Report author's comment: this statement is contradictory to the information Karat has received from both interviewed 8 workers and the trade union representative. Some of the interviewed workers and trade union representative implied that in the past employment on 3/4 of time was practiced. The report does not state that this is still the practice.

communication meeting for all employees from the factory to inform about our Business to do the business review.

We are working on improving a Health Care System at Flextronics. There are also researches being conducted regularly: about the Health Care system, about Kindergarten, job satisfaction. Dialogue with our employees is crucial element to make a good decision which satisfied both side.

The Company put emphasis on a good relation with the Labor Union. HR Director settled weekly meetings with the Labor Union representatives to discuss the issues regularly. Cooperation between Employer and Labor Union has improved significantly. There are also regular meeting conducted between General Managers and Labour Union. We are trying to build a dialog and all labor decisions are being considered together.

To maintain a good working atmosphere, the company organizes: Mother's Day, Children Day, Santa Clause Day, and Christmas for employees, Carnival for employees' kids, Bonus Parties for the best production Team, bonus for perfect attendance, and many other events.

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for people everywhere