



## International Workshop of the ProcureITfair Network Prague 25.06.2009

### Sustainable Procurement of Computers – Perspectives for Implementation

#### Participants

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#### Public procurement – an instrument to fight for labour rights in the computer industry?

##### *Presentation by Sarah Bormann (WEED, Germany)*

This presentation gave a short overview over global production networks in the IT-Industry, its implication for development and labour and actors who deal in this field.

After a short presentation of the European campaign ProcureITfair its impact on labour rights was discussed.

[see power point presentation]

## The IT Sector and Sustainable Procurement in the Czech Republic

### *Presentation by Lucie Studnicna (KOVO, Czech Republic): The Czech IT sector: Its role in the global value chain of IT production and local working conditions*

After a short presentation about the metal workers union KOVO, Lucie Studnicna pointed out the challenges Czech trade unions are confronted with. The number of labour agencies hiring the workers is growing. And there is also a growing number of migrant workers in the IT sector. The labour agencies bring workers from abroad into the Czech Republic and those agencies are almost not controlled by the Czech government.

At Foxconn for example 58% of all workers are employed by agencies. There are twelve different nationalities among the labourers what makes it difficult for trade unions to organise them. Their working and living situations are quite difficult. Lucie Studnicna mentioned an example from an agency worker who even slept in the factory.

Furthermore, it is difficult to identify the wage levels because the agencies should get from the company comparable wages for the agency staff compared with permanent workers, but what they pay to the agency workers might be minimum wage or even less. When trade unions ask for inspections of working conditions, this takes lot of time to happen what gives the companies sufficient time to clean up. Agency workers can hardly be organised in trade unions. And with migrant workers it's still harder because of language problems and cultural differences on the one side and because of their dependency on the working contract in order to stay in the county legally on the other side.

### *Discussion*

The discussion revealed further violations of labour and human rights. Special importances in this field have temporary workers and migrant workers.

One problem for example is the unsecure residence permit status of many migrant workers. The workers need a concrete contract with the agency. When they lose the job, they also lose their residence permit and their legal status what brings them in a situation where they can be easily exploited. The Czech immigration doesn't pay attention to the immigrants' interests at all.

The Czech trade unions are pushing the state administration to deal with the problem and to get a regulation. The international labour agreements might help, but this needs a lot of coordination. To prove a company's offence against ILO core labour standards is nearly impossible because the company would always find reasons for sacking workers. Moreover, it would take very long to go to court. It should be possible to regard the agencies legally as a part of the supply chain.

Lucie Studnicna was unsure about how successful public procurement for improving workers' rights might be. Laws might look good, but the implementation is difficult in Czech Republic.

A further problem is the relocation from Czech Republic to further to the East. This is somehow contradictory as in some cases Czech workers are transferred to the respective countries due to a lack of skilled workers there.

To increase the efficacy of trade unions, their cooperation sphere should be broadened. At the moment they mostly think just in their context and have only few contacts to NGOs. This would, however, be important to improve the working conditions.

### *Presentation by Jiri Silny and Alena Veznikova (EAP, Czech Republic): The ProcureITfair Campaign in the Czech Republic*

During the preparatory phase of the project EAP had contact with students from OIKOS. They also prepared basic documents for campaigning and to approach procurers. The Czech version of the Buyer's Guide will be published at the end of June. It can hopefully be used as entry point for the Czech ProcureITfair Campaign. The criteria can be used also in Czech law, but are not well known.

Furthermore the website will be restored, and a site on myspace created. Moreover, a comprehensive brochure is planned.

Generally spoken the circumstances for a successful campaigning for fair IT are rather hard in the Czech Republic. EAP addressed 17 cities which are part of the so called network of healthy cities. EAP expected the cities of this network to be more open towards fair computer procurement, but didn't get any response.

### ***Discussion***

During the discussion recommendations were made by different participants how to link ProcureITfair to other initiatives or issues in order to get an entry point. EAP could use its membership of the Czech anti-poverty campaign to spread material from the ProcureITfair Campaign. The other projects EAP is also doing like socialwatch, the fair trade project or fair flowers can support each other.

Fair products aren't spread very far yet in the Czech Republic, but growth is very dynamic. Public institutions, however, buy very limited in this field (coffee, tea). This makes it more difficult for EAP to approach these institutions with fair public procurement as these are not sensitised towards this subject. The campaign for ethical consuming should support the spread of fair products in supermarkets.

Further starting points are for example a green public procurement campaign in Czech Republic which tries to convince municipalities to buy environmentally friendly. 20 public municipalities are involved in this campaign and have already a green procurement strategy. Moreover, the environmental guideline from ICLEI for buying computers can be linked with the Buyer's Guide. In this guideline one can find criteria for green procurement.

## **Experiences with lobbying and campaigning for sustainable IT procurement**

### ***Presentation by Florian Butollo (WEED, Germany): Implementation of „fair“IT tenders: Intermediate results of the ProcureITfair campaign***

In this presentation the campaign ProcureITfair was introduced with focus on its aims and methods (networking, building working relationships with procurers and stakeholders). Furthermore, examples of results were shown and perspectives for future activities pointed out.

[See the Power Point presentation]

### ***Discussion***

How can the criteria of tenders be verified? At least certain steps for improving working conditions should be taken by the companies which can be proven (intermediate demands: code of conduct or multi-stakeholder initiative in accordance to ILO conventions, disclosure of supply chain, regular audits, corrective action plans, workers rights trainings in suppliers factories). These are minimum demands which should be developed in interaction with progressive procurement practice.

Procurement bodies can quit their contracts when a company makes false claims.

### ***Presentation by Stefan Kerl (Südwind, Austria): Which role does public pressure play for convincing public institutions?***

Stefan Kerl presented the four approaches Südwind is using in its campaign.

- Political Parties: Südwind is working with Social Democrats and Green Party. In 2008 there was a parliamentary declaration in favour of fair procurement. The local party meeting of the Social

Democrats voted for the declaration, but later opposed a parliamentary motion by the Green Party in order not to give them the credits.

- Local/regional initiatives: There are small villages in some part of Austria where the environmental society is conducting procurement. There has even been a local tender for fire fighters with ILO convention in it.
- Campaigning
- Public pressure: Giving good examples of other European cities is advantageous for lobbying. Südwind sent out action news letters about public procurement in which people were asked to send postcards to their mayors. This was the first big approach to the public. The response on this was a letter from the City of Vienna which told that the ecological department is asked to include social criteria by the mayor. In September a lobby letter will be written to Austrian mayors with background information. To achieve something on the political side pressure from electoral side is necessary.

### ***Discussion***

In contrast to Austria, public pressure is in Germany not always necessary, especially when municipalities are already doing Green IT; in some cases political support is already there. Especially commitment by political decision makers is important for the campaign.

It's promising to approach institutions who can gain reputation out of leading in social public procurement. They have the chance to be the first ones to do it and by this way to prove being progressive.

### ***Presentation by Beat von Felten (City of Zürich, Switzerland): Perspective from public procurers***

Beat von Felten presented the example of a fair public procurement of computers which was done by the City of Zürich. Among others he explained the procurement strategy, its history and how the procurement was done. As Zürich was one of the first cities to do a fair public procurement of computers, it can serve as an example for others.

[see power point presentation]

### ***Discussion:***

It is now possible to ask for computer made under good social conditions in Switzerland as well as in EU.

Beat von Felten is not sure if going further than the ILO Core Convention is possible, because problems with the OECD procurement convention may occur. Procurers fear to be brought to law by companies when they demand more than ILO Core Convention what is not much.

A joined commitment of institutions for fair procurement should be possible.

What to do when bidders are not brand name companies but distributors such as stores? Is it possible to ask for the same criteria as specified in "Buy IT fair"? Beat von Felten doesn't think that this is a difference to the bidder being a producer or a company. But it makes it more difficult because of the management system.

How can public institutions check if the company complies with the demanded criteria? The City of Zürich has a framework agreement with DELL for four years. In case an offence is discovered, DELL can be confronted and the City of Zürich can even break the contract or demand a fine. In case of offences companies can be excluded for 5 years from tenders. This is included in the tender according to law.

## Implementation in Europe and the issue of compliance

### *Presentation by Emma Sjögren (TCO Development, Sweden) concerning the TCO Label*

In this presentation the TCO Label was introduced with background information about the organisation, the use of the label and already achieved outcomes. The first TCO Label for displays was introduced in 1992. Now TCO certifies 500 products every year. Moreover, Emma Sjögren explained in detail the criteria which are used for judging the products' sustainability. Social criteria will be gradually included.

[see power point presentation]

### *Discussion*

The approach of the TCO label received a very critical view from most participants.

Mainly, shortcomings were seen in the lack of strong criteria on the one hand. But on the other hand the label has the effect to give the association as if a labelled product would equal good working conditions. The criteria of the TCO label – EICC, Global Compact, and others – have been subject of criticism in the NGO community in the past.

Emma Sjögren responded that the label raises its criteria every year so that companies also have to improve when they want to keep the label.

It was also criticized that the label doesn't single out companies who are more progressive concerning the criteria than others. This would offer an incentive for other companies to raise their standards as well.

One suggestion to Emma Sjögren was that keeping an eye on transparency would be better than on social responsibility. The label, however, is supposed to serve as instrument for trying to get companies to start working on that.

### *Presentation by Bart Slob (SOMO, The Netherlands): Sustainable procurement and social procurement criteria in the Dutch context*

Bart Slob presented a matrix which was done by SOMO for the Dutch government for helping to implement fair procurement. The government's plans were very ambitious, but the implementation is lagging. This presentation focused also on ways of how achieving compliance. SOMO gave an example of a checklist.

[see power point presentation]

### *Presentation by Florian Butollo (WEED, Germany): Action plan for sustainable procurement in Germany*

Due to a new procurement law in Germany the network for Corporate Accountability demands from the Federal Government to implement an action plan which should also contain controlling mechanisms for companies' compliance. These were explained in this presentation.

[see power point presentation]

***Presentation by Ramon Vives (SETEM, Spain): How can procurement bodies and state authorities control compliance?***

SETEM is a member of different campaigns and networks. It organises among others regular meetings and does workshops.

In Barcelona, sustainable procurement gained momentum five years ago with a tender by the Barcelona city council. The winning company made an external social audit. A second contract for fire works in Barcelona was made under the same conditions.

The new Spanish law is very ambitious. SETEM talks regularly with administrations and companies. The organisation tries to help companies to deal with compliances.

Since the EU guide on socially responsible procurement was published in April, SETEM is trying to work harder on the legal possibilities. The organisation worked together with a lawyer. The result can be seen in form of a guideline.

There are different methods of compliance:

- members of multistakeholder initiatives
- audit companies working together with companies
- complaints brochures in factories

***Discussion***

How can companies be controlled if they comply with the criteria? What kind of role do NGOs play?

For this difficult task an interaction between civil society organisations and procurement bodies is needed. It is not something that one institution can do on its own.

Monitoring might be easier and cheaper, when many authorities buy together. A joined information system could be useful for this.

NGOs cannot guarantee compliance, but transparency. This is where they should set their main focus. Examples of successful monitoring can be put together on the ProcureITfair website's company monitor to serve as help for other, future, procurements.

Another idea was to use embassies for monitoring. But this was not regarded feasible because controlling companies is too difficult for the embassies to do.

All in all, a good solution to this problem can't be found yet. This is something that has to happen in the future after more fair public procurements for computers have taken place.