

SOCIAL RESPONSIBILITY TOPICS OF THE 21ST CENTURY: STUDENT COMMITTEE JOURNAL



ANGEL ANNIE

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FOREWORD



Photo Credit: Shelly Han



Fair Labor Association (FLA) has approximately 140 affiliated colleges and universities across North America. Students are an essential part of this relationship because on campuses everywhere, they are some of the most passionate and vocal defenders of workers' rights.

The FLA Student Committee is a platform to offer students enrolled at affiliated colleges and universities an opportunity to learn about social responsibility and connect with others who share similar interests. This year, select student committee members chose to write articles about social responsibility and human rights. This collection of their articles is the second issue of the Student Committee Journal. FLA is excited to provide a platform through which students may share their ideas and opinions about protecting and promoting workers' rights. Share your feedback and questions with FLA at services@fairlabor.org.

Disclaimer

The views expressed in the Student Committee Journal are those of the students writing in their personal capacities, and the writers stand by the accuracy of their submissions. Opinions expressed in the articles are the authors' own and do not necessarily reflect the views of Fair Labor Association or the academic institutions where the students are enrolled.

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ACTIONS TO PROTECT HOME-BASED WORKERS IN APPAREL SUPPLY CHAINS

BY: KATIA CARRADY

Photo Credit: Shelly Han

Home-based workers (HBWs) fall into the category of typically informal workers who are vital to most apparel supply chains yet are most at risk of suffering human rights violations. Home-based work is important and should not be eradicated. Rather, appropriate protections should be created so these workers can continue to contribute to their households, society, and the economy while benefiting from a steady income, social security, and safe work environment.

Home-Based Workers: Who Are They?

HBWs are individuals contracted (most often indirectly) by entrepreneurs, factories, or firms to produce goods in or near their homes for local, domestic, or global markets. Currently, there are about [260 million HBWs](#) in the world, of which 57% are women and 86% are in developing and emerging markets. Large apparel firms often outsource production to cut costs and maximize profits. Typically, these workers are [paid menial amounts per piece](#) and are unable to sell the finished products themselves. Payments are often delayed by months.

Most taxing, HBWs must cover workplace, equipment, electricity, and supply costs out of pocket.

Why Home-Based Workers Are at Risk

HBWs face a disproportionate amount of risk. Most live in developing and emerging markets, and with jobs in incredibly high demand, HBWs are easily replaceable and thus have no bargaining power. The ethics of their working conditions are further exacerbated by a lack of enforceable contracts. Apparel firms tend to execute short-term contracts with their suppliers, meaning suppliers themselves are reluctant to hire permanent employees.

In addition, suppliers are pressured by brands to produce orders on short notice and constantly cut production costs. A [study conducted by the International Labor Organization \(ILO\)](#) surveyed 1,454 suppliers for multi-national enterprises (MNEs) from 87 countries. 52% of suppliers sign contracts to produce goods at a loss. Unfortunately for HBWs, this drives the demand for unpaid overtime which keeps wages low.

Furthermore, suppliers are incentivized to [restrict worker organization](#) and collective bargaining, which increases the risk of human rights violations by further pushing HBWs into the realm of invisibility.

Examining all these trends together explains why HBWs in lower-income countries are prone to increasingly devastating human rights violations. However, home-based work should not be eradicated, as it would cause even more harm to workers' livelihoods. Rather, apparel firms should focus on creating protections for HBWs in their supply chains in a way that reduces the risk of human rights violations while also protecting their right to work.

Why Home-Based Workers Should Be Protected

Home-based work is a vital resource for citizens of lower-income countries for multiple reasons. As previously mentioned, 57% of HBWs are women. Home-based work is [important to these women](#) because it allows them to complete their domestic responsibilities such as taking care of children, cooking, and cleaning. For those who live outside of urban areas, home-based work offers an affordable way to work without requiring a commute. It also enables women who are barred from working in public spaces due to cultural and religious norms to participate in the labor market.

Home-based work benefits the general public as well. HBWs are tasked with

buying their own supplies. As a result, they have [power as economic agents](#) to contribute to their local economies by paying taxes on basic infrastructure services and purchasing raw materials. Since HBWs do not have to commute, the environment benefits from reduced emissions and congestion. Finally, home-based work provides older workers with opportunities to help keep their households out of extreme poverty, since factories do not tend to hire workers above a certain age. Apparel companies should take proper measures to protect HBWs from human rights violations while still allowing them to be economic agents.

How Firms Can Protect Home-Based Workers

Various organizations have created recommendations and guidelines for how global businesses can improve working conditions for HBWs. Two of the strongest examples are the [ILO's C177 Home Work Convention](#) and the Organization for Economic Cooperation and Development's (OECD) [Guidelines for Multinational Enterprises](#). To help firms implement these due diligence recommendations, the OECD has issued a [guide for the garment and footwear sector](#) with a step-by-step process to help ensure they operate and source responsibly. For instance, the OECD recommends a structured grievance mechanism that meets OECD criteria for "legitimacy, accessibility, predictability, equitability, and transparency."

Although it is no small feat to reevaluate

an international firm's operational model, it will aid in driving long-term growth by stabilizing its business model against social trends. Firms ought to implement these practices so the apparel supply chain can flourish while simultaneously helping HBWs do the same.

This article was prepared by its author. Its content does not constitute the views of FLA.



WORKER SURVEILLANCE DURING COVID-19

BY: SARAH CUSANO

The COVID-19 pandemic has had many effects on businesses, including an increase in the prevalence of working from home. Working from home has been viewed extremely favorably by employees. In fact, at the beginning of the pandemic, almost [60%](#) of Americans preferred working remotely. However, while the issue of [consumer privacy](#) has been increasingly important in recent years, this hasn't been the case for employee privacy. Worker surveillance has only increased since the beginning of the pandemic and poses a potential threat to workers' rights.

Market research firm Gartner [reports](#) that surveillance used by large employers has doubled to 60% since the beginning of the pandemic. [Common practices](#) include monitoring emails for their subject lines, content, and potential profanity. Surveillance software can also collect social media activity, recordings of employees' desktops, search history, private conversations on messaging tools, and data from computer microphones and cameras.

There are few restrictions on how employers can use surveillance technology to monitor their workers. The International Labour Organization published guidelines on protecting workers' data in 1997, but there is [no recent guidance](#) or binding regulation appropriate for the advanced technologies used at work today. In addition, while all workers may be subject to surveillance, some are [particularly vulnerable](#) to it. This includes women, low-income workers, people of color, and those working in the informal sector.

Rights at Risk

There are several human rights impacts that companies' legal teams, compliance, and corporate social responsibility departments should be acutely aware of. The most obvious impact is a [reduction in privacy](#). Employers must have a justified reason to gather certain types of personal data from their employees; otherwise, they are in jeopardy of violating one's right to privacy.

Employers often use surveillance technology to make [personnel decisions](#)

about who is performing well and who needs to be let go. However, using surveillance data to make these decisions risks discrimination. For example, some employees may need to leave their desks more often for health reasons, religious obligations, or childcare (which the pandemic has made especially difficult for working parents). Therefore, a capable employee may be inappropriately penalized for an otherwise valid reason for them to step away from their workspace.

Violations of [informed consent](#) are an especially concerning issue. Some employers, especially those in the informal economy, may neglect to notify their employees of surveillance or the rights that they possess in the event of surveillance. This can result in disproportionate infringement of the human rights of vulnerable individuals.

Business Impacts

Work from home surveillance creates significant risk for companies, as there is a fine line between privacy compliance and violations. Infractions can result in lawsuits and/or bad publicity for the business. Therefore, it is in companies' best interests to promote a workplace culture founded on transparency and trust rather than contributing to a power imbalance between the employer and employees.

Intense surveillance may also negatively impact employee satisfaction and productivity. If employees do not feel that they are trusted or that their rights are at

risk, they will have less incentive to do their best work. Employers should be [transparent](#) in their monitoring by making sure to disclose what data they are collecting and for what purpose. Otherwise, they risk low talent retention and worker morale.

The possibility of human rights violations warrants the need for actionable guidance and regulation on worker surveillance, especially in the time of COVID-19. Until more initiatives address the issue (such as [Business for Social Responsibility](#)), companies must be hypervigilant about their surveillance and consider the deeper reasons why they feel compelled to conduct such invasive supervision. If it is because of a lack of trust or productivity, they may need to reevaluate their team dynamics and the company culture they have created.

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IMPLICATIONS OF THE EU'S MANDATORY DUE DILIGENCE REPORTING MANDATE

BY: NAILA KARAMALLY

In March 2021, the European Union (EU) passed a resolution calling on the European Parliament to outline legislation for mandatory due diligence reporting in supply chains. This would be the first EU-wide mandatory reporting legislation of its kind. Until now, much of the reporting on supply chains has been voluntary or issue/region specific. Voluntary human rights due diligence (HRDD) as we know it today was conceptualized in 2011 with the publication of the [UN Guiding Principles on Business and Human Rights](#). It has historically employed tools such as factory audits, contracts, and codes of conduct. The inherent weakness of this system was laid bare by the COVID-19 pandemic when hundreds of international clothing brands canceled orders, leaving factories to cover the costs. This squeeze was passed onto workers in the form of overnight factory shutdowns, non-payment of wages, and the near decimation of a sector that had kept millions from poverty and starvation. One could argue that if HRDD had been effective, many of the outcomes we saw play out would not have occurred.

Impact of Metrics

Mandatory reporting benefits workers as well as businesses. When businesses are forced to disclose and transparency is required, there is inherent pressure to measure, evaluate, and improve conditions. Without a standard set of metrics an organization is directionless in identifying what needs to be improved, where there are opportunities to do so, and what are the greatest material risks. Metrics drive investment decisions with potential impacts on corporate fundraising, capital availability, cost of capital, and share price. It is now commonly understood that just as companies that report on their activities are saying something to their investors and customers, companies that do not report are also sending a message.

How is this Different?

There has been similar HRDD reporting legislation in the past, like the [Dutch Child Labor Due Diligence Law](#), which requires companies selling goods and services to Dutch consumers to determine whether child labor is present in their supply chains.

If child labor is found, companies must immediately create a plan for corrective action and issue a due diligence statement on their investigation and remediation plan. This legislation is not only narrow in geography but also limits reporting activities to child labor, leaving out violations such as forced labor and bonded labor.

Another piece of national legislation to adopt a comprehensive approach was the 2017 French law on [“duty of vigilance”](#), which requires all French companies with more than 10,000 employees worldwide to undertake due diligence activities with entities they control, suppliers, and contractors.

Companies that do not fulfill this obligation are liable for financial damages and sanctions. The legislation outlines requirements such as risk mapping, regular risk assessment procedures, monitoring and alert mechanisms, and the creation of an articulated prevention plan.

Management and Misalignment

The European Parliament (EP)’s statements focus on due diligence reporting throughout the entire value chain, but it is still not clear how most EU companies will accomplish this, given relationships and general visibility usually only extend to Tier One suppliers. This presents a risk as most serious human rights violations happen further upstream and downstream in the value chains and involve Tier Two and Tier Three partners.

The Office of the United Nations High Commissioner for Human Rights (OHCHR) has criticized the EP’s model as incomplete as it separates a due diligence strategy from [“the identification and assessment process needed in order to determine whether an undertaking is or may be causing, contributing to, or directly linked to actual or potential adverse impacts”](#).

The OHCHR has also criticized the EU for not placing a strong enough emphasis on leverage. The United Nations Guiding Principal (UNGPs) 19 on Leverage states, [“The use of leverage is key to preventing and mitigating adverse impacts identified through human rights due diligence process”](#). Leverage is a powerful tool in addressing and mitigating against serious human rights risks. The OHCHR recommends that the EP place more emphasis on the need for companies to intentionally seek out ways to enhance and exercise their leverage as part of any risk mitigation strategy.

There needs to be a larger space for negotiation between all relevant stakeholders when crafting due diligence policies. This includes a more central role for trade unions and civil society organizations (CSOs). Trade unions and CSOs can provide support and aid in vital areas such as social dialogue systems, helping centralize a rights-based approach, and leveraging models that bring traditionally divergent parties together.

What's Next for the United States

The United States (US) has always lagged behind the European Union on mandatory due diligence reporting. Prior US initiatives have been state-based, such as the [California Transparency in Supply Chains Act in 2012](#), which requires certain California based companies to publicly disclose their efforts to eradicate human trafficking and modern slavery in their operations. The law helps California consumers join the fight against labor abuses by giving them access to information about retailers' and manufacturers' supply chain activities. There are currently no national human rights or environmental due diligence reporting requirements, but the Securities and Exchange Commission is [expected](#) to come out with guidelines within the next year. A mandatory directive will leave many US companies struggling to understand their value chains in a push to comply with reporting requirements.

Mandatory HRDD reporting is steadily gaining traction due to an increased interest in upstream and downstream supply chain activities and public disclosures. Reporting offers an organization significant benefit for operations, capital considerations, and stakeholder communications. The EU's mandate is the most far-reaching social reporting directive to date but will not be the last. US companies looking to leverage the benefits of public disclosures must begin establishing the groundwork for mandatory reporting by engaging in robust voluntary reporting.

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THE IMPACT OF COVID-19 AND SOCIAL MEDIA ON UNION APPROVAL RATINGS

BY: SOPHIA KING

Labor union membership has been consistently declining across the United States (US) since the [1960s](#). However, recent studies have shown that unions could be on the rise. While approximately one-third of US workers were union members in the 1960s, union membership [fell to one in ten workers](#) as of 2015. In recent years, approval for labor unions has been at a [56-year high](#). A [Gallup poll done in 2021](#) found that 68% of Americans approve of unions and 77% of adults ages 18–34 approve of unions. In the face of these statistics, what has changed in recent years to boost approval ratings for unions, and will approval ratings continue to rise? I believe that both workers' disenchantment with the American dream and the younger generation's use of social media were two key factors in rising approval rates. These two factors could also increase union membership rates in the wake of the COVID-19 pandemic.

Disenchantment with the American Dream

During the COVID-19 pandemic, we should not be surprised that workers' idea of the American Dream has shifted, or they have opted out of the idea entirely.

During the pandemic, employees were forced to risk their lives due to insufficient personal protective equipment to perform their jobs that earned them minimum wage, while the corporations they worked for far exceeded their yearly profits, and executives worked from the safety of their homes. Many employers chose not to or were [unable](#) to provide certain workplace protections such as personal protective equipment (PPE) and COVID-19 tests due to [shortages of PPE](#), which would likely disproportionately impact employees that were not represented by a union and had fewer protections in the workplace. This lack of protection for employees undoubtedly contributed to the ["Great Resignation," where a record 4.5 million resigned from their positions in 2021](#). Many workers were angry and resentful that they were expected to risk their lives to go to a job where they were unprotected from COVID-19 to barely make a living wage.

A [2002 law review article](#) theorized that the consistent decline in union membership since the 1960s could be due to the US' culture of work: "Unionization...is a matter

of collective action. The dominant American self-image, in contrast, is squarely grounded in the cult of the individual... Americans popularly view unions as reserved for the 'lower class.' Since most Americans, whether by hard work or good luck, plan not to be part of that lower-class someday, union membership is symbolic of opting out of the American Dream." I believe the resentment that many workers feel from being mistreated by their employers through the pandemic could be enough to topple the idea that unions are "anti-American Dream." How could lower-income workers' perception of the American Dream not be impacted after realizing that their hard work may not earn their families a better life but instead leave their children as orphans?

Social Media as an Educational and Organizational Tool

COVID-19 stirred up anger and resentment among many service-industry workers. This fire, if harnessed correctly, could spur many into action to unionize their own workplaces and demand more from their employers. I believe that social media could harness that power and positively impact union membership in the years to come.

Research shows that younger generations spend excessive amounts of their day on social media apps. Gen Z spent an [average of 4.1 hours](#) per day on social media apps in the third quarter of 2020, and Millennials spent an average of [2.5 hours per day](#) on social media in the third

quarter of 2020. Many people have found solidarity and empowerment through connections to others who worked in unsafe working conditions during the pandemic.

Social media apps like TikTok have disseminated information regarding unions and workers' rights. Hashtags such as "#labortiktok," "#workersrights," "#laborunion," "#unions," and "#workersoftiktok" garner TikTok videos thousands of views where they discuss current labor union issues and current campaigns. Some TikTok accounts are dedicated to helping people understand how to unionize and what the National Labor Relations Board (NLRB) requires to be recognized. They also offer tips regarding what non-unionized workplaces can do to still receive some of the same protections through the NLRB and [updates on current union campaigns](#). These accounts are rising in popularity. [The American Federation of Labor and Congress of Industrial Organizations' TikTok account](#) currently has 15,000 followers and has accumulated almost half a million likes on their content. The rising popularity of these accounts shows that social media apps could have a large impact on workers in their efforts to unionize. The pandemic gave employees the anger and frustration to demand more from their employers, and I expect approval rates of unions to continue to increase as a result. I believe channeling workers' anger through tools like social media will cause membership rates to increase as well.

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CONDUCTING DUE DILIGENCE ON SUSTAINABILITY CERTIFICATIONS

BY: KETNA KOLAKALURI

The Current Landscape

From the past few decades of seemingly innumerable sweatshop scandals to the increasingly grim climate change reports, the public has been repeatedly thrown into shock over the pervasiveness of these issues in the world around them. With social media use rising, these shocks have only gotten more frequent and the idea of a broken world more solidified.

Consumers have decided, however, that they can use their role in the market to demand change. As concepts like “carbon footprint” and “ethical consumption” continue to make their way into everyday language, consumer demand for products made under sustainable and socially responsible conditions has skyrocketed. A report by the Economist Intelligence Unit found that globally there was a [“71% rise in the popularity of searches for sustainable goods”](#) between 2015 and 2020. The market for sustainably produced goods has expanded to the public as the concern over climate change grows increasingly important across the world.

In addition, Generation Z [makes up 40% of the market share in](#) the United States and [55% of them make a conscious effort](#) to purchase products from ethical companies.

That said, it’s easy to see why companies have responded to such demand by flooding the market with an array of environmental and socially responsible labels. According to a [study by the European Commission](#), “76% of all the products assessed in shops contained an environmental claim, i.e., a message or suggestion that a product, or its packaging, has certain environmental benefits.” With such high demand for ethical and eco-friendly products, companies that show proof of their products meeting those requirements have a greater chance of attracting buyers. As a result, sustainability certifications are no longer relegated to a few products in high-end grocery stores located in wealthy area codes but are increasingly seen on rows of products in the stores of average shoppers. The dramatic rise in demand for products certified with such labels has created an

influx of new certifications developed by various stakeholders including private companies, non-profit organizations, and governments. Now consumers must look upon rows of products filled with unrecognizable labels using differing regulation standards to make a decision.

The Challenge for Consumers

To the average consumer, sustainability labels only suggest that a product is vaguely environmentally or socially responsible. To add to the confusion, each of these labels can have vastly different requirements and certification processes. As a result, there are multiple labels “ensuring” the protection of a specific issue (e.g. biodiversity) but some of them are superior due to stricter requirements and more rigorous verification processes. Labels can easily mislead consumers into thinking a product is more environmentally or socially responsible than it really is. In an international sweep of websites focusing on environmental claims, the [International Consumer Protection Enforcement Network found that 40%](#) of websites were using misleading environmental claims by using vague “green” language to describe products without any explanation, utilizing labels from unaccredited organizations, or hiding damaging information about the company to make it seem more environmentally friendly.

With all the confusion, lack of transparency, and the increase in awareness of “greenwashing,” consumers have begun to distrust labels.

[A Food Think study](#) on consumer trust in the food industry in the United States found that 24% of consumers don’t trust companies to do the right thing. In terms of sustainability claims specifically, [a study by the Justice and Consumers department of the European Commission found that 44%](#) of consumers don’t trust green claims and that customers have a difficult time differentiating self-declarations and accredited third-party labels.

Guidance for Conducting Due Diligence

The reliance on certifications to ensure environmental and social responsibility makes it all the more important that consumers are aware of how to evaluate certifications. Fortunately, there exist many resources to support customers in this process. International Social and Environmental Accreditation and Labelling ([ISEAL](#)) Alliance offers guidance on researching labels in their “Challenge the Label” initiative. According to ISEAL, consumers should ask themselves four questions about the claim.

- **What product or service does the claim cover?** A claim doesn’t always ensure the entire production process of a product is sustainable. Sometimes the claim only applies to the packaging of a product, and sometimes it applies to the entire company.
- **What type of claim is being made?** Not all sustainability claims on products are certifications with requirements that need to be met before earning the label. The claim could be a company receiving

an award for sustainability or donating a percentage of the profit from a product to an issue related to sustainability. But even within certifications with requirements, some certifications are more rigorous than others.

Certifications may only have one requirement or may only be given to top performers in a certain sustainability category. They may also tier rankings in certification such as bronze, silver, and gold, or letter grades. In this case customers may have to do extra research to determine what requirements each ranking represents.

- **What sustainability attributes does the claim cover?** “Sustainability” as a term has become synonymous with environmentalism, but the word was originally intended to broadly encompass social, economic, and environmental sustainability. Social sustainability focuses on human welfare such as labor rights, economic sustainability focuses on long-term economic growth, and environmental sustainability focuses on preserving natural resources. Consumers should be able to determine which of these three components a sustainability claim is related to.
- **How is the claim verified?** This is arguably the most important question for consumers to answer as a claim can sound satisfactory based on all the questions above but still be untrustworthy if it is not properly

verified. Beyond just determining verification status, consumers should also research how a claim is verified. Claims can be verified through self-assessment, an interested party, or third-party. A third-party verification is always best as it is more likely to be unbiased.

Perhaps the biggest indicator [ISEAL provides](#) as to whether a claim is credible is that it should not be hard for consumers to find clear, up-to-date answers to these questions. However, researching each question for every label can be time-consuming, regardless of whether the label is credible. This is where indices like the [EcoLabel Index](#) can help consumers. The EcoLabel Index has a database of 455 sustainable labels and provides a general description, the managing organization, and the verification process for each label. This resource allows consumers to learn how credible a label is in a short amount of time. They can utilize the index while at the store. As the demand for sustainable products rises and new labels are created to meet that demand, credible certifications will play an increasingly important role in conveying valuable information to consumers. Responsible consumers should stay educated on what makes a certification credible and use the tools available to them to quickly pick out credible labels that ensure the products they’re buying are changing the world for the better.

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MOVING FORWARD: IN-PERSON, VIRTUAL, AND HYBRID FACTORY AUDITS IN THE CHANGING WORLD

BY: ARABELLA WALLEY

Photo Credit: Shelly Han

In March 2020, the world as we knew it changed forever. As the COVID-19 pandemic raged, not only did we see overwhelmed hospitals, school closures, and a rising death toll, but we also saw the world fall into the [deepest recession since World War II](#). All over the globe, factories shut down, offices moved online, and supply chains faced large disruptions. Amidst all of this, growing concerns for the health and safety of workers began to emerge – and for good reason. Suddenly deemed “essential,” factory workers were expected to keep showing up for work despite the risks of exposure. Jobs that were dangerous to begin with suddenly became deadly. And to make things even worse, many of the regulatory agencies responsible for assessing factory conditions began suspending in-person audits. As a result, [agencies were forced to offer extensions on certificates and licenses – some of which lasted up to a year](#). At first, these extensions were seen as a short-term solution, but slowly it became clear that COVID would not disappear as quickly as we had all hoped. With time, companies began implementing virtual auditing

practices, many of which remain to this day.

While some believe that virtual audits have made it easier for factories to falsify compliance, there is also a [growing consensus that technology may solve some of the problems that even in-person audits have failed to address](#). To gain a better understanding of where we're headed, this article will address the advantages and disadvantages of both virtual and in-person auditing practices. Since both methods are flawed, this article will also comment on the potential of hybrid models of in-person and tech-led remote audits, which may be the happy medium necessary to assure a workplace free of hazards, harassment, and abuse.

Although in-person audits have been the dominant form of workplace regulation for decades, [there is significant research](#) that indicates they do little to improve working conditions over time. [Critics say that audits can quickly turn into superficial “tick-box exercises” that grant companies stamps of approval without addressing workplace](#)

[violations](#). Simply put, [audits only give a “snapshot” look into the routine practices of a certain factory](#). Even if the auditors are aggressive and meticulous in their efforts to uncover the truth, factory managers often succeed in hiding violations. Especially if they are notified about inspections beforehand, factory managers [have been known](#) to unlock exit doors and tell their child laborers not to show up for work that day. Yet with no other alternative to monitoring factory conditions, [in-person audits are still useful for remedying obvious violations](#). For example, [in-person interviews and timecard inspections that do not align with the manager’s bookkeeping](#), can shed light on various violations. Discoveries like this [do lead to progress](#), especially when brands terminate contracts with factories that refuse to change. Although far from perfect, in-person audits are better than no audits at all.

For this reason, the skepticism behind virtual audits is understandable. Without the ability to take in sounds, smells, temperature, or even the facial expressions of workers, [virtual audits appear even less impactful than in-person audits](#). In particular, [virtual audits require](#) a strong internet connection and good equipment, which may not be available in very rural areas. Moreover, without auditors physically present inside the factory, it is even easier for factory managers to hide violations. Unfortunately, through a computer screen, [it’s not always clear to the auditor whether they are looking at live or prerecorded footage](#).

It’s also much harder to read body language, and it’s likely that the factory manager has curated the tour to [best hide violations](#). Yet factory tours and employee interviews are only half the visit. [Most audits have a data collection component](#) where companies gain access to management reports, financial reports, inventory, permits, etc. In this case, virtual audits are incredibly useful, as data can be made quickly accessible without requiring an auditor to travel halfway across the globe. [This saves companies time and money, and has also incentivized companies to perform more regular inspections, especially since the pandemic has brought about additional health and safety concerns](#).

On a more positive note, virtual audits have also given rise to new social impact technology geared towards making audits more proactive and effective at identifying violations. In the field of corporate social responsibility (CSR), this type of technology can range from mobile apps to complex software – always with the goal of improving workers’ lives. According to [Delta 8.7](#), a global knowledge platform working to eliminate forced labor, child labor, and human trafficking, “Social impact technology can also increase the consistency and comparability of data, which may, in turn, provide better and more accurate information on how labor conditions change over time.” Moreover, there are currently new apps being developed to uplift the voices of workers, such as Apprise Audit – an app that can be downloaded directly onto workers’ phones.

[This allows employees](#) to fill out anonymous surveys about working conditions off-site and without fear of retaliation. Available in multiple languages, this app also helps bridge language barriers, which historically have been an issue during on-site interviews.

While there are many great ideas currently circulating in the CSR field, social impact technology is not a silver bullet solution. In the case of Apprise Audit, [it is still difficult](#) to verify that respondents are actually workers or guarantee that employees haven't been pressured to answer the questions dishonestly. To address this drawback, many brands have [resorted to hybrid models](#) of in-person and tech-led remote audits. This is the most logical solution because technology is not yet at a place where it can eliminate all workplace risks without human supervision. Furthermore, hybrid audits combine the best elements of both virtual and in-person practices. Not only can companies save time and money through virtual data collection, but they can also conduct more reliable in-person audits (as opposed to virtual) to address any mistreatment. Although we are nowhere near guaranteeing safe working conditions, there is hope that through new technology and human effort, we can create solutions that protect the lives and well-being of workers.

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ELECTRONIC WASTE RECYCLING

BY: CHRISTOPHE WASSMER

In the Basel Convention of 1989, [189 countries were party](#) to an agreement that outlawed the international transfer of hazardous waste; the United States was not one of these countries. The Basel Convention was a response to the rising hazardous waste exports of industrialized countries and is an international treaty that protects nations vulnerable to the will and bargaining power of countries with greater influence. The most troublesome form of hazardous waste is electronic waste, or e-waste. It has [increased in volume each decade](#) along with the rise in consumer demand for electronics. In high-income countries, high labor costs and stringent regulations on hazardous waste disposal encourage the exportation of e-waste to lower-income countries with less regulated markets. In these countries, informal recycling sectors thrive off the lucrative business of extracting precious metals within electronics.

However, activists and scholars worry that the workers, surrounding communities, and local environments experience disastrous harm.

My analysis of this industry explores the health and environmental risks associated with e-waste recycling followed by the economic opportunities in this industry. I will then consider some challenges present in moving the industry forward and look toward possible solutions, including increased responsibility for global technology companies and governments.

Risks for Workers and the Environment

In the best circumstances, recycling workers mitigate the health risks with face masks, gloves, and goggles. Unfortunately, as little as [25% of e-waste](#) is recycled in these protected conditions. Unprotected workers—who are often women and children—can develop [cancer, infections, blindness, neurological disorders, and shortened lifespans](#). The lack of proper equipment at informal recycling sites has severe environmental consequences as well as health risks. To extract the precious metals, workers either [burn the hardware or drop them in open-pit acid baths](#). At formal recycling facilities, the hazardous substances found in electronics such as

[arsenic, lead, mercury, and beryllium oxide](#) are properly disposed of in order to limit the harm to the surrounding environment. At e-waste dumpsites, hazardous substances [pollute the air and seep into the soil](#). If toxins reach waterways, they can eventually poison communities downstream. Currently, the average life cycle for most electronics is four to five years. This means that in half a decade the precious metals extracted from the natural world are ushered into new markets as discarded electronics. Our natural reserves cannot sustain the current levels of consumption; they are draining into piles of waste and causing the metals' price to rise.

Economic Opportunities

In many e-waste recycling communities, the economic incentives associated with this industry are driving communities to overlook the environmental and health risks. Because of the shrinking supply of natural resources, recyclers have an opportunity profit from e-waste, but the [high labor costs and stringent environmental regulations](#) have kept US recyclers from fully entering the market. Now, a gold mine lies inside mounds of undesired electronics, deemed unfit to be reused or refurbished. The precious metals laced and embedded into the hardware are risky to extract, but research shows that recycling can be [13 times more profitable than traditional mining](#). Recycling businesses in lower-income countries are incentivized to continue without changing as shipping e-waste overseas is substantially cheaper than recycling in the country of origin.

Toward Solutions: Overcoming Challenges to Move the Industry Forward

The biggest challenge facing the industry is the lack of data on the illegally exported e-waste; the final destination of [70% of e-waste is unreported or unknown](#). In 2016, the Basel Action Network (BAN), an advocacy group at the frontier of data collection on e-waste, found that the US exports [40% of their e-waste, Canada 16%](#), and the [European Union 6%](#), but other sources [report rates much higher](#) than that. BAN also identifies and reports which recyclers are exporting e-waste illegally. Until now, the lack of transparency within which recyclers operate was a significant hurdle in consumer-based intervention. To overcome this challenge, there needs to be increased industry transparency.

Another challenge is the lack of legislation incentivizing recycling at the source. BAN notably critiques the US' negligence towards the actions of recyclers. The US needs to implement legislation like that found in the EU which explicitly prohibits the export of e-waste. Changing consumer behavior is important as well. In some countries, [52% of the population keep their old mobile phones](#) rather than recycling them. Electronic turnover rates could be minimized through programs like a deposit-refund system which require a deposit upon purchasing an electronic device that would be returned once the electronic has been properly disposed of. If legislation was combined with the implementation of a deposit-refund system that would incentivize consumers to recycle their electronics, it could drastically reduce the

issue of data and e-waste exports from the US. While activists wait for the US government to act, entrepreneurs have developed safer alternatives to conventional recycling methods. These alternatives combine the electronics with microbes and fungi in vats in a process called bioleaching, which [transforms the metals into a soluble and extractable form](#). Recycling facilities that use these processes require complex machinery and large upfront investments, but they are safe enough to be placed in city centers without risk of contamination. This technique has been tested in [Australia and Finland](#) where these processes recycle electronics locally.

Even when all proper measures are taken, e-waste dumpsites in lower-income countries will likely persist. If efforts to recycle e-waste locally are administered in concert with international investments into these communities to improve their disposal and remediate their environment, these communities would be compensated for the sacrifices they have made serving as the world's e-waste management.

In the meantime, the most beneficial change for workers would be for the electronics manufacturing industry to make extracting precious metals easier. For now, these global technology manufacturers have no economic incentive to make the recycling process easier, but increased corporate environmental awareness suggests that there is hope.

Governments and global technology manufacturers must take action to be transparent about and cut down on e-waste exports. Global technology manufacturers can do so through their manufacturing processes while governments can apply more stringent legislation to recyclers. In the meantime, we must support the world's e-waste management communities. Activists suggest that educational programs will improve safety conditions and limit the negative impacts on workers but there is a need for additional research on the agency of workers in the informal recycling industry. Hopefully, further studies will continue to highlight the necessity for governments and corporations to take action.

This article was prepared by its author. Its content does not constitute the views of FLA.



ARTIST NOTES

ADITYA MADUPUR

In many countries, children are forced or deceived into working in grueling conditions for measly pay – if any pay at all. These children are often part of the supply chains of the phones we use and the clothes we wear, so consumers have a responsibility to advocate for the end of these egregious practices.

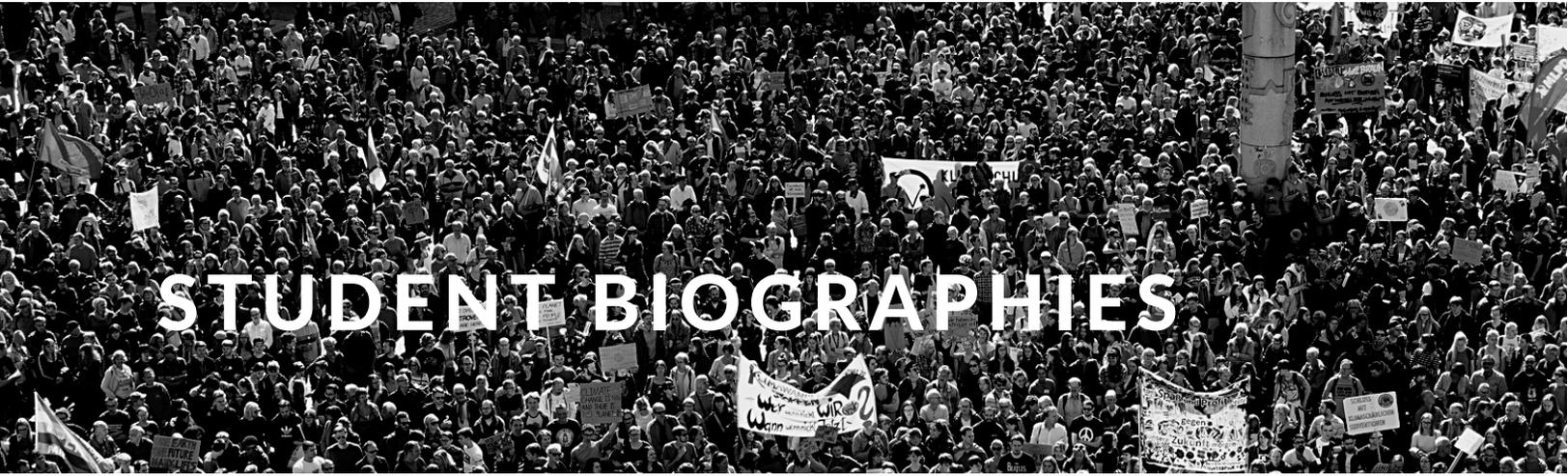
Child labor, including trafficking, may be a risk for companies outsourcing the manufacturing of their products to countries with less strict labor laws. Factories work with subcontractors and raw material suppliers to make their products, and it is often within these lower, hidden tiers of the supply chain where child labor and forced child labor may occur. Thus, many global supply chains are at risk of using child labor. The International Labor Organization [estimates that 5.5 million children](#) are in forced labor worldwide.

My painting “Angel Annie” is a colorful angel surrounded by black text and imagery. The devil horns around the word “family” illustrate the reality that children are often trafficked by their own parents, creating an even greater obstacle to

healing. Surrounding Annie with symbols of trafficking acknowledges the darkness of the issue, while the colorful Annie represents hope.

A vital way to decrease child trafficking is to support organizations that work to end it, like the International Justice Mission, Polaris Project, and many others. Consumers can help by donating to organizations working to tackle these issues or recognizing the signs of traffickers. In addition, organizations like Fair Labor Association offer tools and resources for companies to prevent abusive labor in their supply chain. Companies should map their supply chains and conduct due diligence to prevent child labor, including trafficking, at all levels. Individuals can also ask government officials to enact legislation that prevents child trafficking. Together, we can help end child exploitation.

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STUDENT BIOGRAPHIES

KATIA CARRADY

Katia Carrady is a current master of management student at the University of Michigan's Stephen M. Ross School of Business. With a background in human rights and sustainability, Katia's desire to mesh market strategies with social impact led her to join Fair Labor Association's Student Committee. After graduation, Katia will be working as an environmental, social, and governance analyst for Rho Impact where she will continue advocating for ethical and sustainable business practices.

SARAH CUSANO

Sarah Cusano graduated from the University of Connecticut in May 2022 with a major in political science and minors in French and communication. She was a student representative on the President's Committee on Corporate Social Responsibility and a member of the School of Business' Sustainability Committee. She has also worked as a corporate social responsibility intern at the UConn Office of Strategic Partnerships and Business Development. Sarah hopes to apply her experience in these roles to a career developing and analyzing responsible business practices.

NAILA KARAMALLY

Naila Karamally is a product developer and aspiring sustainability professional. She is creating an individual Master of Business Administration concentration focusing on social impact issues including environmental, social, and corporate governance and environmental sustainability at Brandeis University's Heller School for Social Policy and Management. She formerly supported daily operations and product development as Operations Coordinator for 99Degrees, a social enterprise and apparel manufacturing facility. In this capacity, she participated in spearheading worker engagement programs, grant writing initiatives, and a facility-wide lean transformation. In fall 2021, Naila helped form and organize Heller's first Impact Investing Speaker Series and Skills Workshop which included five events and a 12-week investing competition.

SOPHIA KING

Sophia King is a third-year law student at the University of Utah and will graduate in May of 2022 with her Juris Doctor and pro bono certificate. She aspires to be an employment law attorney representing plaintiffs when she graduates. She currently works as a legal clerk at a small law firm that specializes in plaintiff's wage and hour claims in Salt Lake City, Utah. She has a passion for representation of the underdog in many areas of the law and has demonstrated that through her many hours of pro bono service during law school. Sophia looks forward to continuing to fight for plaintiffs as she begins her career as an attorney.

KETNA KOLAKALURI

Ketna Kolakaluri is a sophomore at Washington University in St. Louis, studying economics and strategy and environmental policy. She is primarily interested in climate policy and industry regulation but has also developed an interest in business-driven solutions through her participation in FLA's Student Committee. Outside of FLA, she is a member of clubs that tackle environmental justice in the St. Louis community and improve sustainability within the university. This past year, she worked with a small team to develop a self-driven educational program meant to inform WashU students of practical sustainable-living practices for college students

ADITYA MADUPUR

Aditya Madupur is a senior at South Brunswick High School in New Jersey who is eager to raise awareness about global sustainability. As a painter for Fair Labor Association's Student Committee, he has been thinking critically about labor and producing art as a representation of various human rights topics. Before joining the Student Committee, Aditya shadowed an undergraduate at the Conn Center for Renewable Energy in Louisville, Kentucky where he innovated sustainable energy sources like dye-sensitized solar cells, solar concentrators, and lithium batteries. Aditya hopes to continue to advocate for workers' rights and energy conservation through his art and involvement with Fair Labor Association.

ARABELLA WALLEY

Arabella Walley is a sophomore majoring in international relations at Stanford University. She became interested in workers' rights after taking a class on corporate social responsibility during her first year. So far, she has focused her studies primarily on immigration and human rights and is excited to gain more knowledge and experience in foreign policy. After graduation, she would like to move to DC to pursue a career in foreign service or work for the United Nations.

CHRISTOPHE WASSMER

Christophe Wassmer is majoring in environmental analysis and minoring in applied microeconomics at Washington University in St. Louis. He became interested in labor rights when his coworkers introduced him to organizations like Fair Foods and the Fair Labor Association while he was working at a community grocery store in Washington, DC. He is motivated by the potential of sustainable cities and circular economies and hopes to pursue a career in urban planning.

SEBASTIEN GETTELMAN - EDITOR

Sébastien Gettelman is a first year graduate student at the Johns Hopkins School of Advanced International Studies concentrating in International Economics and Finance. After three years working in private sector development in West Africa, he is currently interning at the DFC in structured finance focusing on project and SME finance. Passionate about economic development, he expects to pursue a career in the field to promote investment and infrastructural development in the region.

AMY SCHATZ - EDITOR

Amy is a dual MBA/MS student at the University of Michigan. Prior to graduate school, Amy worked for a healthcare consulting firm, focused on identifying lost revenue and recommending solutions to mitigate future losses for hospitals across the U.S. She is passionate about working in the apparel space where environmental and social impacts intersect to promote responsible production and consumption of goods. Amy holds a B.S. in Business Economics from the University of California, Davis.

