

Forced labor in Malaysian medical glove industry worsens

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Exploitation of workers in the Malaysian medical glove industry has worsened during the COVID-19 pandemic, according to new research carried out by a partnership led by Newcastle University.



The study, which was carried out for the Modern Slavery and Human Rights Policy and Evidence Center (Modern Slavery PEC), surveyed nearly 1,500 mainly migrant workers in Malaysia's medical gloves factories and interviewed actors from the whole medical glove supply chain, including workers and manufacturers in Malaysia, government officials, suppliers and procurement managers in the UK.

Malaysia supplies the majority of medical gloves used by the UK's National Health Service (NHS), the single biggest purchaser of gloves in the world.

Demand for medical gloves has skyrocketed, which, coupled with a freeze in Malaysia on recruitment of workers from overseas, led to increasing pressure on existing workers. The industry heavily depends on migrant workers, with longstanding issues of exploitative practices, often amounting to forced labor.

The research used the International Labor Organization's forced labor indicators to develop a full picture of exploitative conditions that have been reported to be present in the industry for a long time. The indicators are the most common signs of exploitation, with one or several taken together pointing to a forced labor case, depending on the individual situation.

The study found that the industry's unprecedented increase in demand has not translated to the improvement of conditions for <u>migrant workers</u>. Due to the freeze in recruitment from overseas caused by the COVIDrelated restrictions, the pressure to fulfil the orders was shifted to the workers already employed in Malaysia.

Four out of eleven forced labor indicators have worsened, including rising restriction on movement, isolation, abusive working and living conditions and excessive overtime. Others, such as abuse of



vulnerability, deception, physical and sexual violence, intimidation and retention of identity documents, have remained at as high levels as before the pandemic.

"It is really worrying that the industry that the NHS is so reliant on is affected so heavily by exploitation", said Professor Alex Hughes from Newcastle University's School of Geography, Politics and Sociology, who led the research. "Our work has shown that the exploitative practices that have been present in this sector for years have got worse even at the time of an unprecedented boom."

"There have been many <u>media reports</u> on this issue, but this study is the first to paint such a comprehensive picture of conditions workers faced during the pandemic", said Jakub Sobik, Communications Director at the Modern Slavery PEC. "This provides robust evidence that exploitative practices are commonplace in the manufacture of a product that is so close to many of us", he added.

Situation of workers during the pandemic has worsened

Deception and abuse of the positions of vulnerability was commonly reported, particularly in the context of Malaysian work permit rules, tying workers to particular employers and requiring them to serve three years of a contract unless they pay their way out. Nearly half of surveyed workers reported feeling unable to leave their employment due to contractual or other restrictions.

One of the key reasons the workers find themselves in this situation is debt bondage caused by the charging of recruitment fees, which then they have to pay off during their contract. 85 percent of workers reported paying fees—and 43 percent of workers reported taking out a



loan to cover the costs, averaging over \$2,000, which took nearly a year on average to repay. Nearly a third reported that their recruitment agency threatened them to not speak about being charged the fees.

The living and working conditions were amongst the indicators that have worsened during the pandemic. Of surveyed workers, half reported congested accommodation or not having access to medical facilities with free treatment.

The pandemic has hampered the ability of some workers to take leave, with 42 percent reporting not being able to take leave freely without the payment of a deposit, 10 percent stating they received no days off in the last three months and 31 percent having just one day off a month. Surveyed workers reported working on average over 12 hours a day.

"The evidence clearly points to the fact that exploitation is rife across the industry. If for example nearly all workers pay recruitment fees that plunge many of them into debt, we're talking about a problem that is systemic and needs such responses", said Mr. Sobik.

Industry response

The pandemic and the rapidly growing demand since the start of the pandemic—almost fourfold in England and Scotland—have made it really challenging to carry out due diligence checks on suppliers.

Despite the commitments to assure labor standards that were included in contracts, the means to verify them has been severely limited. The inperson audits of factories had to stop at the height of the pandemic and assurance had to be conducted remotely, making ethical procurement through the NHS's Labor Standards Assurance System more challenging.

"Evidence of endemic forced labor in the sector shows that current



procurement systems are not effective. There is much to do for the Government and for the NHS itself", said Professor Hughes.

"The UK Government should use its purchasing power to address exploitation in supply chains more meaningfully. It should also put the prevention of forced labor abuses at the center of the planned Procurement Bill, which will set out the rules for the public sector", she added.

There are current initiatives to enhance the Labor Standards Assurance System and training programs in ethical public procurement. "But clearly a lot of work remains to be done, starting with requiring evidence of preventing and remediating forced labor as a condition of contract and actively monitoring compliance with international labor standards during the length of the contract", said Dr. Mei Trueba, research partner from Brighton and Sussex Medical School and the University of Sussex.

"The pandemic has showed us that modern slavery is closer to all of us than we like to think. We hope this evidence of widespread exploitation in the production of medical gloves can push us to go further in policy and practice to address modern slavery in supply chains", said Sobik.

The project collaboration also involved the University Hospitals Sussex NHS Foundation Trust and the Rights Lab at the University of Nottingham. The Modern Slavery PEC is a publicly funded body created to transform the effectiveness of laws and policies designed to overcome <u>modern slavery</u>. The Center is a consortium of six academic organizations and funded by the Art and Humanities Research Council (AHRC).

Example survey responses by workers:

• 47 percent of surveyed workers reported feeling unable to leave



their employment due to contractual or other restrictions

- 30 percent stated they cannot leave before the end of their contract or have to pay to leave the contract early
- 43 percent workers took out a loan to pay recruitment fees, averaging over \$2,000, which took 11.7 months on average to repay
- 39 percent were unsure if their employment terms were as specified in their contract
- 31 percent reported that their recruitment agency threatened them to not speak about recruitment fees
- 57 percent reported their passports were withheld by a recruitment agency and/or broker during processing job applications, and 8 percent by the company in Malaysia
- Surveyed workers worked a mean average of over 12 hours a day
- 6 percent of surveyed workers report that they have experienced or witnessed physical or sexual violence
- 51 percent reported congested accommodation
- 50 percent of surveyed workers do not have access to medical facilities with free treatment
- 10 percent reported receiving no days off on average in the last three months, 31 percent had just one day off a month
- 42 percent of surveyed workers reported not being able to take leave freely without the payment of a deposit
- 36 percent of workers reported not having a work permit covering their current workplace

More information: Modern Slavery and Human Rights Policy and Evidence Centre (Modern Slavery PEC): <u>modernslaverypec.org/</u>

Provided by Newcastle University



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