

Labour rights violations in the manufacture of healthcare goods

BY ARTHY SANTHAKUMAR AND MAHMOOD BHUTTA

Every year trillions of dollars are spent on medical supplies globally. The operating theatre is a significant proportion of this spend, typically accounting for a third of a hospital's supply costs. When making purchasing decisions consideration is given to value for money and quality of healthcare goods, but more often than not, little consideration is given to the conditions in which the goods are made, nor to the impact on the people who make them. Research conducted by us, (British Medical Association) and by others, has revealed unethical working conditions in the manufacture of a number of medical products, especially those bound for the operating theatre.

Medical goods manufacturing

A well-documented example is the surgical instruments industry in Sialkot, Pakistan. Pakistan produces a growing share of the world's surgical instruments, some 150 million pieces per annum, with exports worth \$335 million (2013-2014).

There are around 2500 surgical manufacturing units, employing an estimated 50,000 manual labourers. Manufacturing firms in Pakistan rarely have marketing access, or the infrastructure to allow for direct trade with the end users in destination countries, and therefore operate as sub-contracted suppliers to retailers predominantly in Europe and America.

Outsourcing manufacture to

developing countries can help boost income in local economies and support development, but outsourcing often seeks the lowest price, risking exploitation of workers and abuse of labour rights. Due to competition and consumer demand for low-cost products, much of the initial production of instruments in Pakistan is outsourced to smaller backstreet units, where there is little regulation of employment practices. Within these units the working environment is often poor, and wages and safety standards inadequate.

A typical labourer in a backstreet unit will work twelve hours a day, six days a week and may earn as little as \$2 a day. These workers are exposed to injury

from heavy machinery, toxic chemicals including sulfuric acid, nitric acid and trichloroethylene, and metal dust and noise. Children work in some of these units, some as young as seven.

Other surgical products are also made in unacceptable working conditions. Investigations from large factories in Malaysia and Thailand manufacturing medical or surgical gloves have reported inadequate pay, long working hours and physical and sexual harassment of workers. Long working hours and illegal wages have also been reported from factories in India manufacturing healthcare uniforms, and in units making surgical masks in Mexico.

The presence of abuse in the

“Upholding the raison d’être of medical practice: to improve health outcomes, against evidence to suggest this is at the detriment of workers’ health in its supply chains, creates a distressing paradox.”



Manufacturing surgical instruments, Sialkot, Pakistan. (Photo: © International Labour Organization / M Crozet)



Surgical glove manufacturing. (Photo: © Fairdealtrading / M Kunz)

manufacture of high throughput medical products appears serious and widespread, although the full scale of this scandal is difficult to ascertain given the complex landscape of, and lack of transparency in, medical goods supply chains.

Ethical trade practices

'Ethical trade' is an approach to address labour rights abuses, with the aim of making international trade work better for poor and otherwise disadvantaged people. Ethical trade refers to the steps that purchasing organisations (such as hospitals) can take to improve the pay and working conditions of people involved in supply chains. It asks purchasers to systematically assess the risk of labour rights abuses in the goods and services they procure, and to push for improvement where necessary and possible. This involves working with companies throughout the supply chain to help workers realise fundamental rights such as the right to safe and decent working conditions; to be paid at least the legal minimum wage; to join and form unions so they can bargain collectively for their rights; and to eliminate child labour. Ethical trade relies on transparency, open dialogue and continual improvement. Evidence suggests that this approach also makes business and financial sense- improving labour standards leads to improved productivity, better quality, and better worker retention.

The changing legislative environment is a further tool in shaping the market towards ethical purchasing – in April 2014 revisions to the EU Public Procurement Directives broadened the parameters for public sector bodies in Europe to buy socially responsible goods, empowering procurement choices that serve to protect labour rights. EU member states have two years to implement these directives into national legislation.

So are policy changes effective in protecting labour rights?

In the UK, the largest supplier of health products is NHS Supply Chain. NHS Supply Chain have stipulated that current suppliers of surgical instruments to England must have a system in place to protect worker rights. Swedish healthcare purchasers have a similar policy for their surgical instruments. When we visited Pakistan a few months ago, we found that these policy changes have definitely had an impact. Factories subject to NHS Supply Chain's labour assurance system, or that of Sweden, now pay the legal minimal wage, have a ban on child labour, and provide numerous employee benefits. Workers are much happier, and even the factory owners have started to realise the benefits to worker morale and retention.

What can I do?

The voice of healthcare professionals is a powerful tool in integrating labour rights into purchasing decisions in healthcare. We have been campaigning for ethical purchasing for the last eight years, including the publication on our website of free guidance and training resources for healthcare procurement staff. Our work is centred in the UK, but we also work with partners across Europe, notably healthcare purchasing authorities in Sweden and Norway.

You can add strength to this movement by raising awareness amongst your colleagues, and by encouraging doctors and procurement staff to incorporate labour rights protection in purchasing decisions at local, regional, and national level. The more individuals and organisations raise these issues with suppliers, the more that companies will drive labour rights improvements into and throughout their supply chains to meet purchaser demand.



Working conditions in Sialkot, Pakistan. (Photos: Mahmood Bhutta and Arthy Santhakumar)



Find out how you can get involved – visit
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Photo: Matt Saywell, BMA

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Declaration of competing interests

None declared



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None declared