



Students & Scholars Against Corporate Misbehaviour

Telephone: (852) 2392 5464 Fax: (852) 2392 5463

Email: sacom@sacom.hk Website: www.sacom.hk

Mailing Address: P.O.Box No. 79583, Mongkok Post Office, HONG KONG

Foxconn and Apple Fail to Fulfill Promises: Predicaments of Workers after the Suicides

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Introduction

The series of suicides at Foxconn¹ in the first five months of 2010 seemed to have accelerated its relocation across all parts of China. One year on, the inland provincial governments compete with each other for Foxconn's investment by offering concessions to the company. In the first round of competition, Zhengzhou of Henan Province has won the project among various interested cities, followed by Chengdu of Sichuan Province after rounds of negotiations. With strong governmental support, the workforce in Foxconn has grown to 1 million, a predominant majority of its workforce is young peasant-workers from the countryside. At recruitment talks, Foxconn paints a whole new rosy picture: high wages and good prospect. It looks like Foxconn might have reflected deeply upon its military management and low-cost production strategy, which had driven workers to despair. A number of Foxconn's customers, notably Apple, HP and Dell, have also pledged to "work with Foxconn" to live up to higher international labour standards. A big

¹ The Taiwanese owned Foxconn Technology Group, a subsidiary of Hon Hai Precision Industries Ltd., is the world's leading electronics manufacturer. Foxconn ranked 112th among Global Fortune 500 Companies in 2010. Currently, Foxconn has a workforce of a million workers all over China.

question is how this hidden electronics supply chain really works. SACOM is interested to track the working conditions of the new Foxconn production sites to ascertain the workplace improvement in place, if any.

While Foxconn is moving to the inner part of China, Students & Scholars Against Corporate Misbehaviour (SACOM) is interested to track the working conditions of the new Foxconn production sites. In this spring, SACOM researchers visited two Foxconn production facilities in Chengdu and Chongqing municipality in Western China, where they are manufacturing Apple iPad 2 and HP laptops. We also revisited Foxconn's flagship plants in two industrial towns, Longhua and Guanlan in the Shenzhen, where employees are still housed in dormitories surrounding with anti-suicide nets.

Factory profile:

	Shenzhen	Chengdu	Chongqing
Campus	(1) Longhua and (2) Guanlan	(1) southern plant: Chengdu High-Tech Comprehensive Bonded Zone and (2) northern plant: Chengdu Import/Export Processing Zone	Xiyong Micro-electronics industrial park
Estimated Workforce	500,000	100,000	10,000
Client	Apple, HP, Nokia, Dell, etc.	Apple	HP mainly
Product	computer, laptop, mobile phone, server, etc.	iPad	Laptop and network

While Apple commends the measures taken by Foxconn to improve working conditions, SACOM finds predicaments of workers remain. Workers always have excessive and forced overtime in order to gain a higher wage. Workers are exposed to dust from construction site and shop floor without adequate protection. Even worse, they are threatened by potential harm of occupational diseases in various departments. Additionally, military-styled management is still in practice, characterized by “military training” for new workers.

Throughout the investigation, when researchers asked about the feeling of Foxconn workers about the hardship of workers, like low wages, potential harm of occupational diseases, work pressure and exhaustion, the typical answer is “I get used to that”. Despite of grievances from



SACOM staged a protest in front of Foxconn shareholder meeting in Hong Kong in 2010.

workers, workers feel it is helpless to bring changes. Therefore, they can only submit themselves to the rules and culture of Foxconn or resign. A couple of interviewees with whom SACOM is in contact with have left the factory within 1-3 months to seek better jobs. This reflects human management at Foxconn as merely a slogan.

Foxconn has primary responsibility in labour rights abuses. The clients, including Apple and HP, which declare decent working conditions at their suppliers have indispensable obligations to put their promise into practice. Taking labour rights violations in Chengdu are the most problematic, Apple, the sole buyer of Chengdu plant, must take actions to improve working conditions at Foxconn. SACOM's international partners of the IT campaign, makeITfair and GoodElectronics network, designated May 7th as the global action day on Apple and Foxconn.² This report is part of the efforts to invite concerned consumers to voice out our aspiration of fair IT products from both Apple and Foxconn.

One year on: Apple and Foxconn promise unfulfilled

	Promise	Reality
Recruitment and employment term	In strict compliance with law	Misleading statements (e.g. wages, benefits, and location of work)
Wages	Across-the-board increase	miscalculation of wages; unpaid overtime work
Work hours	Decrease from 80 hours OT a month to 36 hours overtime work a month	Routinely 80-100 hours overtime work a month; continuous shift which denies meal break
Health & safety	Adequate personal protective equipment; health examination	Lack of protections; workers are not well informed about the chemicals in use
Student workers	Length of internship regulated; skills training provided; underage workers protected (16-18 years of age)	Interns are de facto workers; on mandatory night shift
Grievance mechanism	Better worker-management communication by launching hotline for workers	Workers cannot find effective ways to handle the grievances at workplace

Research Methodology

From March to April, SACOM researchers interviewed about 120 workers in Shenzhen, Chengdu and Chongqing. The extensive majority of the interviewees are frontline workers, and about 10 of them are frontline supervisors and middle management. Most of the interviewees are young people aged 16-30. Researchers approached workers outside the factory compound and in the living community of workers. In general, workers are open to interviewers, but some did not dare to tell their basic salary, position, product that they produce, fearing that will constitute a breach of "confidential agreement". All the names appear in this report are pseudo names in order to protect their identities. Pictures of the report were taken by researchers and provided by workers. The findings are based on workers interviews and researchers observation. Some of the information is supplemented by desk research.

² Time to bite into a fair Apple, makeITfair, <http://makeitfair.org/>.

Findings

1. Recruitment

Foxconn hires workers from 4 main channels, namely recruitment counter at government offices, vocational schools, labour agencies and its own recruitment centres.

Government's taskforce for Foxconn recruitment

The Sichuan government plays an influential role in the recruitment process. In fact, most of the interviewees in Chengdu highlighted that they were recruited by the local governments of the respective towns and villages. The endeavour of the governments in village level can be explained by pressure from the Chengdu government in order to boost the economic development. The government also set up "Project No. 1" which facilitates the investment and production of Foxconn in Chengdu. On the website of Pi County of Chengdu, it reveals that the local government has to accomplish the recruitment project for Foxconn in line with "Project No. 1".³



The Chengdu's Pi County government states it has to fulfill the task of Foxconn recruitment project.

Source: Pi County government website dated 15 April 2011.

Misleading job advertisement from government

Job seekers saw a job advertisement posted by the government in their hometowns which showed the salary at Foxconn was CNY 1600, and the salary would be increased to over CNY 2000 after the appraisal. Many young people find the terms are attractive and apply for jobs at Foxconn subsequently.

“At that time, the job advertisement from the government showed there was 8-hour work shift a day. And the monthly salary in the first six months is CNY 1600. Although I can make CNY 2000 a month, it's all because of the overtime work I have,” a 20-year-old male worker said.

“The salary in the job advertisement is ambiguous. It only states we can earn CNY 1600 a month. We are cheated,” another male worker who joined Foxconn after the Chinese New Year in 2011 said.

³ “Recruitment Project for Foxconn in Pitong Town Has Achieved Progress Gradually”, Pi County Government website, http://www.pixian.gov.cn/public_version/detail.php?tid=4621068 (in Chinese).



The government Labour Department of Hongguang Town set up recruitment counter for Foxconn, Pi County.



Another recruitment counter for Foxconn in Pitong Town, Pi County government.

Most of the interviewees recruited by the government from the countryside are unhappy about the misleading advertisement from the government. They are disappointed after knowing that the basic wage is much lower than they had expected, especially when the wage level prior to March was only CNY 950 per month. More information on wages at Foxconn will be illustrated in the section entitled wages.

Government offices resemble labour agencies

Besides the recruitment in villages and towns by the local governments, the Chengdu government spares no effort to recruit workers for Foxconn. Researchers can easily observe that several government offices in Pi County, like the Employment and Social Security Service Centre in Hongguan Town and Pitong Tong Government Office, resemble labour agencies. The government offices raise banners and issue job advertisement for

Foxconn. The applicants can register at the government offices. Foxconn will then arrange interviews for applicants.

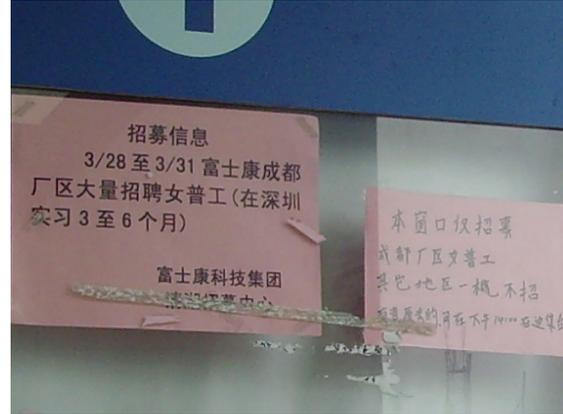
Weary journey to Foxconn

To facilitate the recruitment, the local governments arrange free transportation and health examination for workers. In spite of free transportation, the journey from the countryside to Chengdu is not relaxing. A girl who joined Foxconn in February 2011 recalled her experience, "We traveled by bus for 6-7 hours. Our group arrived in Hongguan Town around midnight. The government housed us in a simple hostel. We were divided into groups. A room was shared by 10 persons. We were all exhausted but could not have a space to lie down. All of us did not sleep throughout the night". Xiao Ying, 22 years old, experienced the same. She joined Foxconn after the Chinese New Year. She and other villagers were put on a bus to Pi County. The journey took 5 hours and the bus was packed and there were no seats available and no lunch. When they arrived at the dormitory, it was already 9:00 pm. There were no beddings provided by Foxconn which made some workers sick due to the cold weather.

"Chengdu Project" in Shenzhen

Foxconn in Shenzhen ceased hiring new workers for Shenzhen plants after the Chinese New Year. All new workers will be sent to Chengdu under "Chengdu Project". The notice also states Foxconn needs lots of female workers in Chengdu plants. Apparently, Foxconn prefers female

workers because they can be easily controlled. Apart from sex discrimination, this also implies that new workers will not benefit from a wage increase in Shenzhen. The new workers will only have status of trainees in Shenzhen and will be sent back to Chengdu permanently.



Recruitment Counter in Shenzhen no longer hire workers for Shenzhen. The notice shows that the company is recruiting female workers for Chengdu plants. And the workers have to stay in Shenzhen for training for 3-6 months.

2. Wages

Prior to March, Foxconn paid food and housing subsidies to workers on the top of basic salary. In Shenzhen, Chengdu and Chongqing, the basic salaries are CNY 1200, 950 and 950 respectively. Currently, Foxconn incorporates the food and housing allowance into basic salary. The new salaries soar to CNY 1590, 1300 and 1350 in the three cities. Food and housing subsidies are cancelled.

Change in wage structure at Foxconn:

	Prior to March 2011			April 2011		
	Shenzhen	Chengdu	Chongqing ⁴	Shenzhen	Chengdu	Chongqing
Basic salary	1200	950	950	1590	1300	1350
Food allowance	240	240	240	-	-	
Housing allowance	150	110	110	-	-	
Total	1590	1300	1300	1590	1300	1350

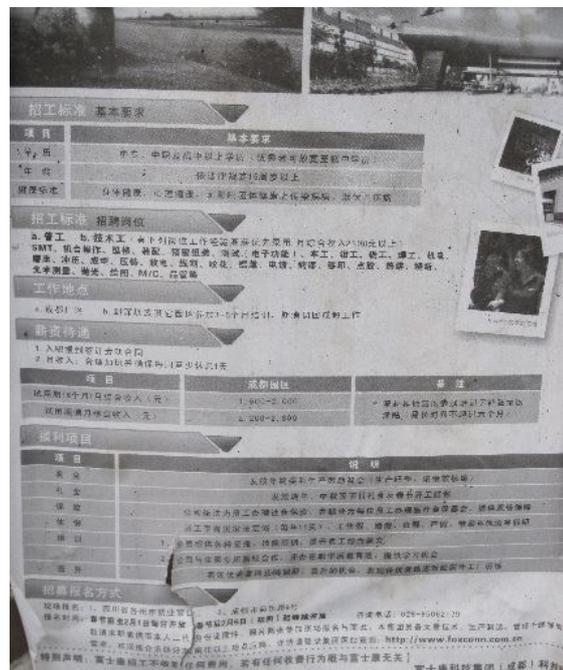
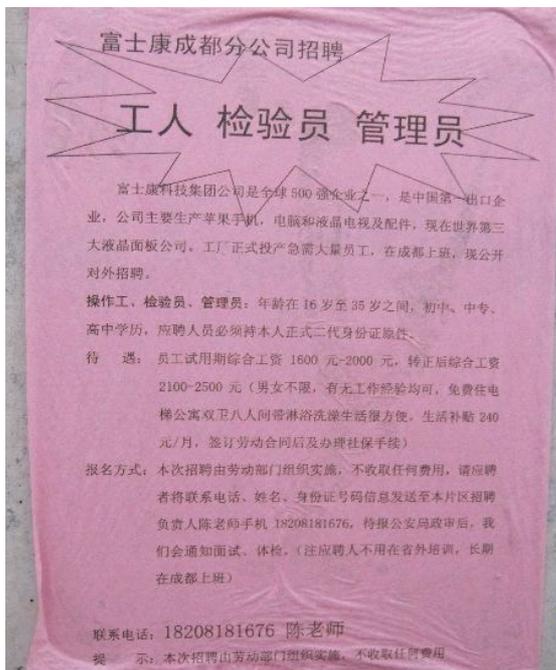
Amid suicides in Shenzhen last year, Foxconn announced wage increase in early June 2010 from CNY 900 to 1200. In fact, Shenzhen government was about to raise the minimum wage at CNY 1100 effective July. However, Foxconn always boasted that the first pay rise was 33%. As such, basic salary at Foxconn was only 9% more than the minimum wage after July. Similar to the number game played by Foxconn, the basic salary at Foxconn is raised significantly in Shenzhen, Chengdu and Chongqing after adjusting the wage system. Nonetheless, Foxconn does not pay much more in total.

⁴ Wages in Chongqing was adjusted in February 2011. The basic salary prior to February was CNY 950.

Discontent in wage level

Job advertisement from the government declares the salary at Foxconn is CNY 1600. The basic salary falls short of expectation of workers, especially prior to March when workers only received CNY 950 per month. Interviewees generally feel they are cheated but would stay in Foxconn as they have left the hometowns already.

As the production facilities in Chengdu were not ready in 2010, many interviewees were deployed to Shenzhen. At that time, the basic salary in Shenzhen was CNY 1200. When they were sent back to Chengdu, the wage level dropped to the local level at CNY 950. Therefore, many of them were discontented with the decrease of salary. Foxconn has obligations to monitor the recruitment process. Unfortunately, it simply tolerates the misleading job advertisement circulating around employment practices.



Both advertisements state the comprehensive monthly wage is CNY 1600-2000 during probation. After the 3 to 6 months probationary period, workers can earn CNY 2100-2500 per month (left) or CNY 2200-2800 per month.

Miscalculation of wages and delay of pay slip

Workers give their labour skills to Foxconn in turn for a salary. Deduction of wages is unacceptable. In Chengdu, many interviewees criticized that they were always underpaid. In March, a number of interviewees complained to SACOM that they have not got the pay slips from Foxconn. Hence, they could not verify if there was miscalculation of wages.

“I’m not sure if I have bad luck. In the past 3 months, my salary was miscalculated twice,” a male worker in northern campus of Chengdu told a researcher.

Li Hui, a female worker in quality checking department in Chengdu said, *“It was disheartening when I found that I was only paid less than CNY 1500. I had overtime work on several weekends but the hours were not fully recorded on the pay slip.”*

“I take care of about 100 workers in the production line. Every month, I have to report about 50 cases of underpayment to the human resources department,” Mr. Wang, an assistant to the frontline supervisor in Chengdu, said.

“Abnormal in pay slip [mistake in pay slip] always happened. We will report it to the human resources department and workers can get back their deducted wages next month. It’s very understandable a new factory may have some problems,” a frontline supervisor in Chengdu did not think the miscalculation of wages was disturbing.

While some workers can reclaim their deducted salary, some complain if the amount is less than CNY 200 maybe ignored by the management. Two workers disagree that deducted money will be paid to them in next month. “Our salary was miscalculated in January, until now [April] we haven’t received the deducted money,” one of the male workers said.

The affected workers are helpless and do not know how to resolve the problem if the line manager is too busy to deal with the individual cases.

Arbitrary wages sparked unrest in dormitory

Unrest erupted on January 6th 2011 due to the miscalculation of wages. Workers in Southwest Dormitory threw bottles and rubbish from dormitory rooms as protest. Some 200 police quickly went to the dormitory and suppressed the workers. About 20 workers were arrested in the incident. Foxconn told a different story to the media. The company claimed there was a clash between workers. The clash was not work-related but triggered by personal disputes of two rival groups in the campus.⁵ SACOM is disappointed that Foxconn intentionally covered up the incident and deceived both workers and the public.

CNY 2000 for those “eligible”

Foxconn asserted that 85% of the eligible workers benefited from the wage increase last September.⁶ SACOM doubts how many percent of the total workforce is eligible to pay rise at CNY 2000. Since March 2011, Foxconn has halted the recruitment of Shenzhen workers. Vacancies are filled up by trainees from Chengdu, Zhengzhou and other places. After 3-6 month long internships workers will be sent back to their factory of origin. Thus, they will never be eligible for the pay rise in Shenzhen. Nevertheless, it is good to know basic wage at Foxconn is raised. SACOM hopes that it is the pay rise is out of Foxconn’s commitment to a better living wage but not as a strategy to dilute media attention. Furthermore, the wage increase should not be overstated. SACOM also demands clients at Foxconn, including Apple, to raise unit price to make a living wage feasible.

Basic salary is far from a living wage

SACOM suggested that the living wage in Shenzhen was about CNY 2300 referencing to the Engel Law formula in last year. Owing to skyrocketed inflation in the cities, the living wage in 2011 should be CNY 2728.⁷ And the monthly living wage in Chongqing should be CNY 2192.

⁵ Tim Culpan, “Foxconn Says Two China Workers Injured After Personal Dispute”, *Bloomberg*, 13 January 2011, <http://www.businessweek.com/news/2011-01-13/foxconn-says-two-china-workers-injured-after-personal-dispute.html>.

⁶ Ben Blanchard, “Foxconn to raise wages again at China plant”, *Reuters*, 1 October 2010, <http://www.reuters.com/article/2010/10/01/us-foxconn-idUSTRE6902GD20101001>.

⁷ The formula for living wage according to Engel Law:

food expenditure ÷ percentage of income spent on food x dependency ratio.

SACOM suggests that the Engel’s coefficient at 0.5 and a dependency ratio at 2 for migrant workers.

SACOM estimates the living wage in Chengdu should be CNY 2600.⁸ This echoes the aspiration of the workers that a monthly income should be around CNY 2500 in Chengdu and Chongqing, and CNY 3000 in Shenzhen. In other words, the basic salary at Foxconn in the three cities lags behind the basic needs of workers. Eventually, workers have to earn a living from overtime work.

“I work very hard everyday and I deserve CNY 3000-4000 per month.,” Xiao Yang, a student intern from vocational school who is working at the repairing department in the southern campus of Chengdu commented..

“The salary at Foxconn is not really high. After deducting expenditure for food, dormitory and social insurance, I don’t have much left every month,” a male worker in Chengdu is considering to leave Foxconn for a better job said.

A 19-year-old girl who produce iPhone in Guanlan campus expressed, *“We do not have much overtime work this month. Our department has 3 shifts a day now. I can only receive a basic salary at CNY 1600 this month. It’s really not enough for a living but I believe the 8-hour shift is just a temporary measure for the low season”*.

Living wages estimated by SACOM:

	Shenzhen	Chengdu	Chongqing
Food consumption per capita (CNY)	682 ⁹	N/A	548 ¹⁰
Monthly living wage (CNY)	2728	2600	2192
Basic wage of a frontline worker at Foxconn (CNY)	1590 / 2390	1300	1350

3. Working hours

Article 41 of the Labour Law in China stipulates that overtime should not exceed 3 hours per day and 36 hours per month. The Electronics Industry Citizenship Coalition (EICC) and Apple also have codes to regulate the working hours at electronics suppliers.

Apple manifests that all the overtime work should be voluntary and the working hour should be comply with local labour laws. “Under no circumstances shall workweeks exceed the maximum permitted under applicable laws and regulations.” Similarly, the EICC states in its code that workweeks should not to exceed the maximum set by local law. In reality, except in low season, the production facilities in Shenzhen, Chengdu and Chongqing violated the 36 hours overtime work limit provided by law. In addition, some workers also reveal that overtime work is not entirely voluntary.

Excessive and forced overtime

⁸ The disposable annual income per capita in Chongqing in 2010 was CNY 17532. In Chengdu, the disposable income was CNY 20835. The annual income in Chengdu was 19% more than that in Chongqing. Using the same ratio, SACOM estimates that the living wage in Chengdu should be CNY 2600, which is 19% more than the Chongqing’s standard.

⁹ The food consumption per capita in the last quarter of 2010 was CNY 682 according to the Statistic Bureau of Shenzhen. Figures are available at <http://www.sztj.com/main/include/month/viewarticle.jsp?artid=4622> (in Chinese).

¹⁰ The food consumption per capita in Chongqing was CNY 548 in March according to the Statistic Bureau in Chongqing in March 2011. Figures are available at <http://www.cqtj.gov.cn/UploadFile/20110426224451921.xls> (in Chinese).

In Chengdu, workers usually have 80-100 hours overtime work on the top of 174 regular hours per month.¹¹ This is almost 2-3 times more than the legal limit. In Shenzhen, workers reveal overtime work decreases directly related to the pay rise. Workers usually have 50-80 hours overtime a month. The number of overtime hours is subjected to the production plan of the departments. Workers can only follow the instruction of the supervisor. In Chongqing, workers usually have 2 hours overtime work per day. During SACOM investigation, it is the low season of Chongqing plant. As such, workers do not have much overtime work.

Workweek in Shenzhen and Chengdu:

	Regular shift	Overtime shift
Monday-Friday	8 hours	2 hours
Saturday	-	10 hours
Sunday	-	-

Most of the workers yearn for more overtime work because the basic salary is not enough for a living. Not many workers have experience to decline overtime work. During low season, a request for an un-overtime shift will be easily approved by supervisors. In contrast, if there is influx of order, workers must stay for overtime shift. Penalty may be imposed if workers decline overtime shift.

富士康科技集团 SHZBG 事业群 员工薪资单			
*** 以下内容如您有不明之处请于七日内向主管/当地人资查询!			
正常工作天数	21.75 天	节日加班时数/工资	0.00 小时 0.00 元
标准薪资	1300.00 元	补项1/补项2	0.00 元 0.00 元
考核岗位津贴	0.00 元	补项3/补项4	0.00 元 0.00 元
职务津贴/地区津贴	0.00 元	奖金1/奖金2	0.00 元 0.00 元
学员津贴/技能津贴	0.00 元	钟点费	0.00 元
实习技术津贴	250.00 元	医疗索赔	0.00 元
高低温津贴	0.00 元	旷工天数/减项	0.00 天 0.00 元
特殊岗位津贴	0.00 元	事假天数/减项	0.00 天 0.00 元
伙食津贴/夜班津贴	95.00 元	病假天数/减项	0.00 天 0.00 元
平时加班时数/工资	81.00 小时 507.87 元	迟到早退时数/减项	0.00 小时 0.00 元
周六日加班时数/工资	8.00 小时 1069.20 元	应发总额	1069.20 元
		减项1/减项2	0.00 元 0.00 元
		减项3	元
		社保代缴款	元
		住房公积金代缴款	元
		个人所得税代扣	元
		实发薪资	27 元
		应发奖金	元
		加项	元
		减项	元
		奖金税	元
		实发奖金	元

A pay slip of Foxconn worker in Chengdu. His total overtime work in March was 98 hours.
Source: A Foxconn worker in Chengdu

Chen Linfeng, a student worker who studied computer said he was exhausted from 10-hour shift a day. He grumbled that if he requests to leave the shop floor after the regular shift, he will not be assigned any overtime for a month. "If there is no overtime at all, I will only receive the basic salary. Hence, I have no choice," he added. Many interviewees in Chengdu tell the same.

Some workers also feel it is unfair that if they do not stay in overtime shift, the production line leader will accuse them have a work stoppage. As a result, most of the workers do not dare to demand to rest after regular shift.

¹¹ The monthly working hours at 174 is determined by the government, 8-hour/day x 21.75 days.

Unpaid work assembly

Workers have to attend work assemblies every day before their shift starts. Work assembly usually last for 10-15 minutes and the time is unpaid. Workers also have to spend time on punching work card, so they have to arrive even earlier. Workers have to line up in discipline in the work assembly and greet the supervisor in loud. Foxconn claims it only aims to boast the spirit of workers. The interviewees do not think this serve the purpose. “I get used to the work assembly and do not feel embarrassed anymore. The assembly and chanting is requested by the high rank Taiwanese management. Therefore, everyone has to do that,” said a worker who has been at Foxconn for over 2 years.



Workers in Chengdu plant queue up to punch work cards.
Source: Foxconn worker

The “continuous shift”

Workers have lots of grievances on continuous shift. In Chengdu, workers always have 10-hour shift a day. And there are 2 meal breaks in between. Continuous shift means workers have to skip a meal break, usually dinner break, and continue to work. Sometimes, the meal break is compressed to 30 minutes. When some workers rest during a meal break, some workers have to stay on the shop floor. Workers who operate machines are particularly unhappy with the arrangement of a continuous shift. “The machines in our department are in operation 24/7. If some colleagues go out for dinner, then the workers who stay in the workshop have to take care of 3 machines at the same time. It is hard work but we do not have additional subsidy for that. Workers can only have dinner after the work shift ends. Continuous shift occurs everyday.”

Yongde from Integrated Digital Product Business Group (IDPBG) in Longhua campus said he could have lunch break everyday. However, workers in his department always have continuous shift. Therefore, they have to work 7 hours after the first meal break. “Yes, I am hungry and exhausted when I have to skip dinner. During night shift, I cannot stand continuous shift at all. It’s very difficult to endure the non-stop work,” Yongde said.

Unpaid overtime work

A number of supervisors or assistants to the frontline supervisor shared with SACOM that they have to arrive at the factory 30 minutes earlier than other production workers and spend 30 minutes more after work shift ends. Thus, an extra hour is unpaid.

While most of the interviewees in Shenzhen expressed that unpaid overtime work has been rectified, some workers said the problem remained. He Hui, a 22-year-old worker from IDPBG, who is responsible for quality control of iPhone 4 exclaimed that he always has unpaid overtime work for an hour. Li Donglei, who works in Shenzhen tells the same that his department forces them to do overtime work without pay. He is angry about that and will resign soon. Some other workers say they also have to work without pay till the production target is attained. This happens in some occasions.

Deprived of social life

In Shenzhen, both Longhua and Guanlan campuses of Foxconn are surrounded by vivid communities which are full of restaurants, vendors, shops, and internet café. On the contrary, Foxconn plants in Chengdu are situated in industrial parks. There is no community around the factories. Furthermore, workers are exhausted after work and do not have social life. They can only go back to the dormitory after work. "Life in Foxconn is work, eat and sleep," a male worker in Chengdu grumbled. A number of interviewees tell the same. Asking the workers what they would like to do on holiday, most of them respond, "sleep".

A typical day of a worker in Chengdu:

06:45	Wake up
07:15	Queue up for bus
07:40	Arrive at Foxconn (breakfast and punch card)
08:10	Work assembly
08:30	Work shift begins
11:20	Lunch
12:20	Work shift resumes
17:20	Dinner
18:20	Overtime shift begins
20:20	Work shift ends
21:00	Arrive at dormitory

Transcript of a worker interview

Researcher (R) met Ah Ming (M), a 19 years old male worker, at the entrance of southern campus in Chengdu. At that time, Ah Ming was having a dinner break and he bought some food from the vendors outside Foxconn like many other workers did. He is a graduate from a tertiary school. He wants to be an engineer at Foxconn but was assigned to the production line.

R: When did you start working at Foxconn?

M: Since February.

R: What do you do at Foxconn?

M: I produce case for tablet PC.

R: Is it case for iPad?

M: Yes.

R: What do you do exactly? Molding iPad case?

M: I work on assembly line to assemble the case.

R: Do you find the work relaxing?

M: It isn't relaxing at all! It's exhausting. I have to stand at least 14 hours a day.

R: Do you have lots of overtime work?

M: I wake up before 7:00 am. Then I have to queue up for bus to the factory. The bus is overcrowded. The work shift starts at 8:30 am, and I have to arrive at the factory at 8:00 am.

R: Is it because of the work meeting?

M: We have to assemble in the factory everyday. At noon, we have to queue for at the canteen for a long time. Basically, we have to stand throughout the day, no matter when we going to work or going back to dorm. When we arrive at the dorm, it's already 9:00 pm.

R: Oh...it's really tiring. What will you do on the rest day in a week?

M: I have been here for half-month, but I haven't got time for fun.

R: Do you mean there is no rest day on the weekends?

M: Although it states that there are 2 days-off, but I haven't got a day off.

R: How many overtime hours do you have since you worked here?

M: We have 2 hours overtime work on every weekday. On the weekends, it's 10-hour overtime work.

R: Have you ever tried to decline overtime work due to exhaustion?

M: Yes, I did. The company says overtime work is voluntary, but if I don't stay for overtime work, it will be regarded as work stoppage.
R: Have you ever lodged a complaint for the forced overtime work?
M: No. I plan to resign.
R: Why?
M: I just like a robot repeating the same motion. I don't have to use my brain. The time passed too slow. In addition, I have to stand during work.
R: What Foxconn should improve?
M: I don't understand why we can't sit. And we can't bring our cell phone to the shop floor. Even the cell phone without camera is prohibited.
R: What do you want to do after the work shift ends?
M: It's routine. Sleep, work and eat.
R: Some workers said they felt depressed did not want to talk to others after finishing their work.
M: It's also because some of the roommates are on different shifts.
R: Can you get along well with your roommates?
M: Our room accommodates 6 persons. I only know 2 of them. The others I haven't met them at all. When I am on day shift, they are on night shift, vice versa.
R: Thank you for your time!

4. Work safety

Among the three factories, occupational health and safety issues in Chengdu are alarming. A production facility in Chengdu is on a production site. Workers do not have adequate training on usage of chemicals and do not have regular on-post health examination. A number of interviewees even complain they suffer from allergy but the management does not probe into the adverse health impacts of workers. Workers also highlight the problem of poor ventilation and inadequate personal protective equipment.



Entrance of the southern campus in Chengdu. Construction work is still in progress and dust flies around in the campus.

Working on construction site

Foxconn has 2 campuses in Chengdu, the northern campus and southern campus. The southern campus will be the permanent site for over 250,000 workers. The southern campus is still under construction but workers are already working there. Basic facilities in the factory are not ready,

such as road, lighting, locker, toilet and canteen. Construction trucks and other vehicles are around all day and create more dust when they pass by. In raining days, the road is muddy and slippery. At night, the lighting is insufficient. Workers may fall down on the rugged road. The construction materials are piled up on the road side. The environment in the campus is chaotic. "I'm breathing in dust at Foxconn just like a vacuum cleaner. My nostrils are totally black everyday," a male worker from the southern campus said. Some other workers from the southern campus mock themselves that when people see the dirt on their clothes, they can tell where do we come from. Some workers bring their own mask to protect themselves.

No indication of chemical in use

In milling machine department in Chengdu, workers complain they have to use cutting fluid (切削液). Workers do not know about the substance of the chemical. Masks are given to workers, but they do not feel the protection is adequate.

Workers from CNC metal working in Super Precision Mechanical Business Group (SHZBG) in Chengdu are exposed to cutting fluid. According to workers, they have to drill screw holes on an iPad case. Cutting fluid is used to cool down the product. A worker finds the smell is irritating and the mask cannot really filter the smell. He had asked the superior about the harm of the chemical but there was no response. He then looked it up on internet and found the chemical is harmful to lungs. The workshop is very noisy as well. In the department, workers seldom talk to each other because it is noise is too loud. He also expressed the turnover rate in the department is about 10% per month. Despite of hard work, there is no subsidy for this position. He joined the factory for 4 months, but there are no on-post health examinations.

Adverse impact on workers

In the milling machine department in Chengdu, some workers state they always breathe in the aluminium dust. Workers in the polishing department also complain that the department is full of aluminium dust. Even though they have worn gloves, their hands are still covered by dust and so as their face and clothes. Some workers comment that ventilation on shop floor should be improved.

Yang Meimei, a student worker in Chengdu, and three other classmates suffer from skin allergy. They believe the source of allergy is a yellow-glue and a milky substance used in the workshop. They have not put on gloves because the surface of the product is smooth. The product may slip off from hands with gloves. Some workers in plastic cleaning department share that personal protective equipment is only delivered to them on request. Xiao Ying also has the problem of skin allergy. For the details of her case, please refer to the next page.

In the plastic molding department in Chongqing, it is filled with bad smell. And the personal protective equipment is inadequate. And there is lots of scarp from hole-drilling in the department. A female worker from Chimei Innolux, a business group of Foxconn, in Longhua told her eyesight was deteriorating. Her duty is to cut glass to produce screen and she has to expose to strong light. She may find another job in coming few months.

Exhaustion

Xiao Ling was a pregnant worker at Foxconn. She joined the company in Chengdu after the Chinese New Year. She has to check the appearance of iPad case which requires high degree of concentration. Her eyes are red all time due to the work and others misunderstand that she has cried. Xiao Ling considers continue working at Foxconn may have adverse impact to her baby. She resigned in March.

Story of Xiao Ying

Xiao Ying, 22 years old, started to work in Foxconn in mid-February. She traveled with other 8 persons from her village to work at Foxconn. They were all recruited by the government. Xiao Ying was assigned to work at MAC III department under SHZBG.

Xiao Ying was responsible for removing excessive glue from iPad cases. She had to use industrial alcohol to clear extra glue from the case. There are 12 people on the same production line. The production target usually ranges from 1000 to 2000 units per day. One night, they were asked to produce 3000 units. During the first meal break, they only had 30 minutes for food. And continued to work immediately. At 5:30 am, it should be the second meal break. They were forced to have continuous shift. She could only eat until 7:30 am.

She was already working on a night shift during her first month. Night shift began at 8:30 pm, but she needed to punch work card before 8:10 pm. Anyone who was late would be blamed by the frontline manager. The most unbearable thing at Foxconn was skin allergy. There was red rash on her legs, arms and face. She could not stop scratching her legs and arms because it was itchy. She did not know how to deal with the allergy and bought a bottle of rice wine and apply it to the rash. The stand operation also made Xiao Ying suffer a lot. She had to bath her feet in hot water to relieve the exhaustion everyday. "We have to queue up all the time. Queuing up for bus, toilet, card-punching, food, etc. During recess, we don't have a place to sit. We can only sit on the floor. We get up in early morning and can only return to the dorm in late evening. I am really worn out," she shared her grievances.

In March, 5 fellow villagers of Xiao Ying left the factory. And Xiao Ying resigned in April.

5. Management

"Foxconn always claims it adopts humane management, but it is military management in practice," an assistant to the line leader in Chengdu exclaimed. Workers are not allowed to talk on production line and can only repeat the same motion for hundreds or even thousands times a day. The production target keeps rising. And they have to work faster and faster. Mistake and inefficiency will lead to reproach from line managers. Workers can only adjust their mentality to fit into Foxconn system.

Supplier Responsibility 2011 Progress Report of Apple commended Foxconn's efforts in preventing suicides, for example, psychological counselors, care centre, hotline and safety smash.¹² Nevertheless, it did not highlight Foxconn should review the management methodology. Moreover, the code of conduct of Apple also states Apple is committed to ensure workers are treated with dignity. Inhumane treatment like metal coercion and verbal abuse should be prohibited. The working conditions in Chengdu are directly related to Apple. Unfortunately, the promise of Apples' code of conduct does not translate into protection for workers.

"Military training"

Many new workers in Chengdu share that they have not much to do in the factory. Owing to the production lines are not ready, new workers have to undergo "military training". The content of

¹² Apple Supplier Responsibility 2011 Progress Report, p. 19.

military training is mainly standing. The frontline supervisor will ask dozens of workers line up in discipline and form a square. Workers are required to stand still as a soldier for hours. Sometimes, the supervisor asks the workers to turn left and right. The supervisor always yells at the workers. Sometimes, the military training lasts for 1-2 days. Some interviewees express it can last for a month until the production line can operate. In mid-April, researchers observed about 10 Foxconn workers holding documents jogged to the recruitment centre in Pi County. The supervisor jogged with the workers and chanted “one, two, one, two”. Soon after that, a group of student workers walk to the recruitment centre.



New workers having military training in the southern campus of Foxconn in Chengdu.

Source: Foxconn worker in Chengdu

Most of the workers feel it is non-sense to stand whole day. “We need to stand for 10 hours when we start working. Maybe the military training is to prepare us for the stand operation,” a female worker who joined Foxconn guessed. A production line manager in Chengdu believed that the military training aimed at indoctrinating the idea of discipline at Foxconn. Similar to Chengdu, new workers in Chongqing have to go through military training.

Despite the production lines are not ready, Foxconn should not use military training to fill the time of workers. It can provide real training to workers, for example labour rights training, or recreational activities for new workers. Military training which aims at disciplining new workers should be altered.



Some male workers in Chengdu go for smoking and rest during recess. Most of them are so tired and sit on the lawn immediately.

Stand operation

Most of the interviewees have to stand during work. Besides working hour, workers have to stand when going to walk and queuing up in canteen, etc. Workers in Chengdu usually say they have to stand for 14 hours a day. For most of the new workers, they have fatigue for standing so long. Workers who have worked for Foxconn for some months always express they get used to it, but they feel very tired indeed. During recess, workers sit on the floor of the department to rest.

Unlike recess in school which usually has lively atmosphere, workers

generally sit on the floor and take a nap, play with cell phone or smoke alone. There is not much interaction between them. This reveals most of workers are exhausted from stand operation.

Punishment and humiliation

Seven cases of suicides at Foxconn were reported last May. SACOM was appalled by the tragedies and have been tracking the management methodology at Foxconn. Many of the interviewees in Shenzhen share that there is some improvement in the attitudes of the frontline management. In the past, the frontline management always yelled at the production workers. However, some of them reveal the work intensity increased significantly after the pay rise. A male who assemble iPad case in Longhua told his monthly overtime work was about 80 hours. And the production target has been increased for several times in a month. If they made mistake, they had to write confession letter and hand it to the supervisor. In Chengdu, confession letter is also a means to humiliate workers. Ah Qiang, 25 years old, from Chengdu plant also disclosed that if the mistake is serious, the worker concerned has to read out the confession letter in front of other colleagues.

The management at Foxconn is not homogenous. Sometimes, the frontline supervisors are friendly and polite to workers. And some are fierce. Nonetheless, it is unfair to blame the frontline management only. The upper management should not tolerate the inhumane punishment on shop floor. For example, a male worker observed his colleague was punished to stand at the corner of the shop floor as punishment. He had to stand like a soldier and put his hands behind his body. And the worker concerned was punished because he giggled and talked with other colleagues. Supervisors scold workers is also a norm in Chengdu. Sometimes, the supervisors will even use the foul language. When interviewing the line managers, they also tell sometimes they are harshly scolded by the upper management and afterwards, they will vent their anger on production workers. Some frontline supervisors also tell it is common that one worker makes a mistake, three persons will be scolded, the worker concerned, the assistant to the supervisor and the supervisor. Many workers have no other way to cope with the harsh management but be more concentrated on their work to avoid mistake or try to get used to the pressure. New workers are particularly vulnerable to work pressure. They are relatively slow in production and may make mistake. "Some of my roommates weep in the dormitory. I want to cry as well but my tears have not come out," Chen Liming, 19 years old, who joined Foxconn in March said.

"Off duty permit"

Foxconn stated that "off-duty permit", a small card which a worker has to acquire if he or she needs a toilet break, was cancelled in Guanlan. On the contrary, toilet break restriction is still in practice in Longhua. Sometimes, it is 20 to 60 workers share an "off-duty permit".

Sick leave

Not many workers in Foxconn have experience in taking sick leave. Some of them are quite confident that they can have paid sick leave when they are ill. Ah Qiu, a female worker in Chengdu, had a fever in January 2011. Her department was very busy at that time. She requested for a sick leave but was rejected. Some male workers who researchers met in northern campus of Chengdu also complain it is difficult to take sick leave. They can only buy some medicine from stores.

6. Student Workers

Last summer the usage of student workers in Foxconn's Shenzhen plants was startling. This phenomenon has changed in because student workers are replaced by other sources like deployment of workers from Chengdu and Zhengzhou. In contrast, student workers are easily found in both Chengdu and Chongqing. Researchers met 2 groups of vocational students arrived Foxconn at entrance of factory and recruitment centre in Chengdu. And it is reported that

Foxconn signed contract with 119 Chongqing vocational schools to supply students to work in Foxconn's local plants last summer.¹³

Xiao Hui is an 18-year-old student worker in Chongqing. She is a 2nd year student of hotel management. Working in electronic factory is totally irrelevant to her studies but she has no choice but travels with other schoolmates to Foxconn in Chongqing. She even has to pay CNY 200 for transportation. Like many new workers, she has to experience the military training. Three to four days later, she is asked to go to Kunshan for internship. She is upset but does not have other option. It takes 40 hours in the journey on train.

SACOM report in last year highlighted that the so-called internship at Foxconn is breaching the Regulation on the Management of Secondary Vocational School Student Placement. The work at Foxconn is usually not related to the curriculum and learning targets and workers are de facto workers on production line. Student workers should not have more than 8 hours shift a day, but all the student workers who SACOM interviewed had to stay in overtime shift. Furthermore, student workers are exposed to harm of occupational diseases, including chemicals.

7. Food, dormitory and transportation

After the change of wage structure, Foxconn workers have to pay for food and dormitory. Outside Chengdu plants and dormitory, there are many vendors sell food and snacks. "Food safety at the vendors maybe a problem, but I have no choice. The food in the canteen is not edible," a male worker in Chengdu who bought a bowl of noodle at a stall exclaimed. Most of the interviewees in Chengdu and Chongqing have the same comment. A Chongqing worker said angrily, "On the first day, I almost vomited after eating the food in canteen. I've never eaten something which tasted worse than that".



Workers generally feel that food at vendors is much better than those in canteens.

Exterior of Foxconn campus is nice in the three cities. Workers always tell the dormitory is overcrowded. In Shenzhen, workers and Chongqing, workers may able to rent a room outside Foxconn. In Chengdu, almost all the workers live in dormitory. There are about 6-22 persons sharing a room. Each worker only has a bed space and a small locker. Roommates are assigned on different work shifts. If the day shift workers have a day-off and the night shift workers have to sleep during day time, it is very disturbing. Similar to last year report, factory rules extend to the living space of workers. They are not allowed use hair dryer and electric kettle in the dormitory.

Both factory and dormitory of Foxconn are situated in remote area. In Chengdu, it usually takes 20-30 minutes to travel from the factory to the dormitory. Foxconn provides free transportation for workers at fixed time slot. In other time slot, workers cannot have free transportation or public transportation. In case workers are late, they have to spend about CNY 30 for a taxi or motorbike ride. Foxconn rented hundreds of buses from bus companies as company coaches. The bus is extremely crowded. Over 70 workers squeeze inside the bus and have to stand in the journey. The

¹³ Hu Yinan and Wang Yu, "Foxconn mulls move northward", *China Daily*, 29 June 2010.

workers have to stand on the terrace of the bus door and do not have a space to turn around. The workers are exhausted from work and have to stand another 30 minutes is tiring. Most of them have lots of grievances on transportation. Some male workers want to save time for rest and travel with their motorbike. Traffic accidents happen sometimes as there are tens of thousands workers rush to the buses and motorbikes are leaving the campus as well.

8. Relocation plan and deployment of workers

Currently, there are 500,000 workers at Foxconn's Shenzhen production facilities. The corporation announced that the number of workers would be reduced to 300,000 by the end of 2011. In section 1, it is mentioned that Foxconn stops recruiting new workers for Shenzhen plants. Instead, the vacancies are replaced by workers from Chengdu and Zhengzhou. And those workers will go back to the cities of origin within 6 months. On the other hand, new workers in Chengdu, Zhengzhou and Chongqing do not have choice whether they accept to work in the coastal cities as interns or not. They must obey the order.

For Shenzhen workers, their status is in limbo. Some interviewees in Shenzhen heard that their business units will move to other cities. However, they do not know the timetable of the relocation or the terms at the new plant. They are subjected to the decision from Foxconn.

9. Workers ask Apple to...

Chengdu is a production site for iPad. Sometimes, workers do not even know what kind of product they are producing. For those workers who produce iPad and iPhone in Chengdu, Longhau and Guanlan, some of them are proud of they duty to work for Apple as they know it is a renounced brand. However, they also want to convey other messages to Apple.

"Though we produce for iPhone, I haven't got a chance to use iPhone. I believe it is fascinating and has lots of function. However, I don't think I can own one by myself," a worker from Guanlan who joined Foxconn in February 2011 said.

"I never dreamed that I will buy an iPad, it may cost me 2 months salary. I cannot afford it. I come from a village to sell my labour at Foxconn, all I want is to improve the living conditions of my family," a 24-year-old worker expressed.

"Our salary is too low compare to the selling price of an iPad. We deserve more as we generate wealth for Apple everyday," an assistant to frontline supervisor in Chengdu commented.

Conclusion

It is hypocritical that Foxconn hires a number of counselors, opens up care centres and launches hotline service for workers after the spate of suicides, but imposes harsh management on workers at the same time. Workers are not allowed to talk on production line and they always feel they resemble machines. Furthermore, the labour rights abuses such as miscalculation of wages, excessive and forced overtime, threat of occupational diseases, denial of contract and use of student labour, cannot be tolerated.

SACOM's demands to Foxconn:

1. To provide a living wage for all the workers so the workers do not have to earn a living from overtime work;
2. To reform management methodology to respect workers' dignity;
3. To abolish stand operation and ensure workers can have meal breaks regularly;
4. To provide adequate training, protection and health examination to workers on occupational health and safety; and
5. To reform the existing unions and enable workers to select their representative in accordance with the Trade Union Law;

The buyers of Foxconn should comply with their respective code of conduct. A few middle management at Foxconn suggest that brands always have representatives to monitor the productivity and quality of products on shop floor. In other words, the brands comprehend the working conditions on the shop floor. There is no excuse for them to deny responsibility of labour abuses. In particular, Apple the sole clients of Chengdu plants, have obligations to work with Foxconn for corrective action plan.

The Global Action Day on May 7th organised by makeITfair and the International GoodElectronics network focuses on Apple as world leader in producing innovative, smart designed electronics and calling on Apple to take the lead in improving working conditions too. The campaigners are asking Apple to improve their purchasing practices as fair prices and well-planned lead times will allow suppliers to pay a living wage and prevent long overtime hours and Apple has to check the wages and the overtime hours.

Apple should also improve the communication between workers and the management at Apple suppliers and engage with (local) labour rights organisations to make sure that working conditions improve. Besides, Apple should provide consumers transparency and inform them about the steps they take to make improvements.

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Contact Persons

CHAN Sze Wan, Debby
Project Officer
Email: debby@sacom.hk
Tel: +852 2392 5464 or +852 6756 8964

CHENG Yi Yi
Project Officer
Email: yycheng@sacom.hk
Tel: +852 2392 5464 or + 852 6012 0312