

Students & Scholars Against Corporate Misbehaviour

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New iPhone, Old Abuses Have working conditions at Foxconn in China improved?

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The temporary production site of Foxconn in the Economic Processing Zone, Zhengzhou.

Whenever there are new products launched by Apple, consumers are thrilled. All over the world they queue up outside Apple stores in order to have their beloved products immediately. At the same time, workers are queuing up for the company bus and lining up to swipe their staff card at Foxconn, but without similar excitement. When the peak season comes, they are tied to the production lines with just 1 day off in 13 working days, or no rest day at all in a month, all to cope with the public demand for the new Apple products. It is sad to say that to some extent, workers also yearn for the peak season because their base pay is insufficient to meet their basic needs, especially for those who have to support their dependents.

Apparently, the illegal long working hours, low wages and poor occupational health and safety are rooted in the unethical purchasing practices of Apple. It is ironic that Apple declared to the world that it would ensure that working hours and other working conditions would be improved, but would then push its major supplier Foxconn, and consequently its workers, to meet product schedules inconsistent with such improvements.

All this occurs in the context of a spate of suicides which had exposed the poor working conditions at Foxconn, greatly embarrassing Apple. Since then, Foxconn and Apple have attempted to save their reputations. One recent move was Apple joining the Fair Labor Association (FLA) in January 2012, and the FLA has reported that Foxconn and Apple have moved towards improvements. Students & Scholars Against Corporate Misbehaviour (SACOM), however, has found a different

picture. First, SACOM conducted research at two Apple suppliers in April and May 2012 and subsequently issued a report, *Sweatshops are good for Apple and Foxconn, but not for workers*, which documented a wide range of continuing labour rights abuses, such as inhumane treatment, excessive overtime, meager base payment, and unsafe working conditions.

Now, in September 2012, our researchers revisited Foxconn's plants in Zhengzhou, Henan Province, China, whose sole product is the iPhone. Most of the 60 interviewees who SACOM talked to are new workers recruited by the government. The high turnover rate¹ and the government's need to recruit workers and take other special steps to smooth production implicitly suggest that job satisfaction is not high. More than that, SACOM's new investigation finds that Foxconn workers in Zhengzhou are still facing deplorably harsh working conditions. It is disappointing that no matter how advanced the technology introduced by Apple is, the old problems in working conditions remain at its major supplier Foxconn.

The following are the key findings at Foxconn in Zhengzhou:

- Excessive overtime: Since August, monthly overtime hours have been between 80-100 hours in some of the production lines at Foxconn. These high levels often exceed the levels reported by the FLA in its recent progress report, and are two to three times that allowed by Chinese law.
- Unpaid overtime: Workers have to attend the daily work assembly without payment. On some production lines, workers must accomplish the production target before they can stop working even if that means working overtime without pay.
- -Comprehensive working hour: By Chinese law, workers should receive double overtime premiums for work on the weekends, but workers are given compensation leave instead of extra payment.
- Denial of ergonomic break: Foxconn and Apple have promised to offer two daily ergonomic breaks for workers, but SACOM found that most of the interviewees have not enjoyed the break at all
- Meager wages: Foxconn has modestly increased the basic salary in Zhengzhou, but it is still insufficient for workers to meet their basic needs, especially when they have to support the living cost of their dependents.
- Student intern: The provincial government is using different channels to supply workers to Foxconn. Student internships are one of the means. As such, vocational schools are sending students to Foxconn to cope with the peak season.
- Dispatch labour: Foxconn is hiring dispatched labour in Zhengzhou. The sub-contractual workers do not know if they have social insurance.
- Arbitrary relocation of workforce: In the rush to complete iPhone 5 orders, Foxconn is relocating workers from other provinces to Zhengzhou to meet production goals. Workers may not have a choice in these transfers, do not always know how long they are going to stay in Zhengzhou, and sometimes have to stay long past the promised time.
- Occupational health and safety: Inadequate training and protection for workers. Workers feel the chemicals that they contact regularly, such as "cutting fluid," glue and thinner, have strong odours. Workers worry about their health, but there is a lack of effective protection for them.
- Inhumane management practices: Workers need to acquire an "off-duty permit" for a toilet break; this is inhumane and unreasonable. A worker who did not sit properly in a standard position was asked to write a confession statement, repeating a longstanding unacceptable practice by Foxconn.

http://www.clntranslations.org/article/65/short-term-work

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¹ See also, the turnover at a new Foxconn plant in interior Jiangxi Province: from August 2010 to January 2012, the local government assisted Foxconn to interview 24,208 persons and hired 10,169, but those who had stayed on for a year was "extremely small." *Jiangxi Daily*. 8 February 2012. "Jiangxi: Phenomenon of 'Short-Term Employment' Gives Rise to 'New Labor Shortage." China Labor News Translations.

- Crackdown on strikes: Workers reported a number of strikes in Zhengzhou because of low wages or unfair treatment. In one very recent example, the workers concerned were dismissed by Foxconn.
- Company-controlled union: Supervisors passed around a book for workers to sign up for trade union membership at Foxconn without explaining how the union is relevant to them.

Factory Profile

Soon after the spate of suicides at Foxconn in Shenzhen, Foxconn announced their relocation plan to set up new factories in the inland provinces in summer 2010. The provincial government in Henan was the first one to sign a contract with Foxconn, and began operation in August 2010. In return, Foxconn received full support from the government in terms of construction of the factory, providing dormitory, recruitment of workers and so on. Foxconn's Zhengzhou factories are 2-year old and exclusively produce the iPhone.

Futaihua Precision Electronics (Zhengzhou) Company

Three Campuses	Airport Zone: new and permanent factory
	2. Processing Zone: temporary factory
	3. Zhongmou County: smaller factory playing supportive role
Client	Apple
Product	iPhone

Research Methodology

SACOM researchers conducted off-site interviews at Foxconn in Zhengzhou in the first week of September 2012. About 60 workers were interviewed. The majority of the interviewees were new workers at Foxconn who have worked in the factory for less than 6 months.

Findings

With the release of the iPhone 5, the labour rights violations at Foxconn in Zhengzhou are intensified because of the peak season. The following are the major problems in the factories.

Working hours

The FLA argued that the problem of excessive overtime was a result of high labour turnover and gaps in production and capacity planning.² In SACOM's perspective, high turnover is a symptom of job dissatisfaction instead of a root cause of excessive overtime. And the delivery time requested by Apple is the most important factor in determining the production plan of Foxconn.

Prior to August 2012, it was the low season at Foxconn in Zhengzhou. Workers did not have much overtime work. Workers usually had a 10-hour shift, from 8:00 a.m. to 8:00 p.m., 5-6 days a week. As such, overtime work was not more than 60 hours per month. Many workers left the factory because they used to earn a living from the overtime premium. In April, some workers' monthly overtime work is as low as 10 hours. Since mid August, the factory has been very busy. Most of the workers have one day off in a week. Some workers in Zone B state they only have a day off after working 13 days consecutively. Therefore, the monthly overtime work is about 80-100 hours. The Labour Law stipulates that overtime work will not be more than 36 hours a month. Some workers

² Fair Labor Association, Foxconn Investigation Report, 29 March 2012, p.2, http://www.fairlabor.org/report/foxconn-investigation-report.

even said that they have not had a day off in the past 30 days. In other words, because of the launch of the iPhone 5, the workload of workers suddenly surges. If Apple can prolong the delivery time when it places orders, workers do not have to work excessive overtime.

Comprehensive working hour

In low season, workers do not have much overtime work. Occasionally, they have to work 6 days a week. According to the labour laws, workers should receive double hourly wage for work on Saturday or the 6th working day. Workers generally feel that the basic wage is insufficient for the needs of themselves and their dependents. They are always eager to earn money from the overtime premiums. Before the peak season started in August, some workers were delighted to have overtime work on Saturdays. Later on, their supervisors got them to take days off during the weekdays instead of paying overtime premiums to them. Workers have been complaining about the comprehensive working hour system which deprives them of their overtime premiums, but Foxconn does not respond.

Unpaid working time

In August, the workload of workers has increased. Workers must finish the production target every day. If they cannot accomplish the task, they have to work unpaid overtime. The time concerned is usually within 15 minutes. The frontline supervisors and assistant frontline supervisors always have unpaid work meetings and administrative work. It takes 2 hours sometimes.

Foxconn workers are required to attend the daily work meeting before the day shift begins. The meeting usually lasts for 10-15 minutes. In some occasions, it can be a half-hour long. Foxconn has promised to review the payment practice, including to pay workers for the work-related meeting. As of September, workers in Zhengzhou have to spend extra time for these work meetings, but the time concerned is not counted as a working hour.

No ergonomic break

On the production line, workers have to repeat tedious and monotonous tasks thousands times a day. Apple and Foxconn promised to offer 2 ergonomic breaks for workers in the morning and afternoon. In reality, most of the interviewees did not have an ergonomic break at all. Some of them said they can only take a short break by going to the toilet.

Wage

Foxconn declared in August to have a wage increase in the Zhengzhou factories from CNY 1550 to CNY 1800. Thus, the basic salary of Foxconn in Zhengzhou is now at the same level of Shenzhen. Workers have to pay CNY 144 for pension and about CNY 90 for housing insurance, about 300-400 on food. A single room without a toilet costs CNY 450. Therefore, most of the workers complained that the basic salary at Foxconn is meager. In low season, workers can only get around CNY 1500 after deducting the contribution to social insurance scheme, food and dormitory. In August, workers started to have lots of overtime work. Many interviewees expect they can earn around CNY 3000. In peak season, they can make this amount only working excessive overtime which exceeds the legal limit by 2 times.

Worker's Story 1: Liang Hui-ping

Liang Hui-ping (pseudoname), 30, has worked at Foxconn for 1 year. Her duty is to examine the surface of the iPhone 5 frames.

Since August 2012, there has been no control for overtime work. I am exhausted every day. The management is fierce, just like holding a whip upon us. It seems that the daily production target cannot be accomplished everyday. Now, we can only have a day-off every 13 working days. For the

machine operators, they do not have a day off throughout a month. It is very difficult to take leave. Apple is everything to Foxconn. It is true that we can earn more money this month. After deducting the social insurance, food and housing etc., the disposable income is not high. I do not think I can afford an iPhone with the low wages.

The environment on the shop floor is unpleasant. The production department is full of the smell of the chemicals. The machines keep making noise which makes me annoyed.

I do not know anything about the union. It is completely irrelevant to me. Around 20 June, there were number of strikes because the workers were discontented with the low wages. The trade union does not do anything for the workers. Currently, there are lots of workers leaving the factory. Owing to insufficient of labour, we are exhausted everyday.

I feel disappointed about Apple. It only aims to make profit. We hope the consumers can help us to improve our livelihood.

Worker's Story 2: Wang Yong

Wang Yong (pseudoname), 21, has worked at Foxconn for 6 months. He works in the quality control department.

On the surface, it seems that the working conditions at Foxconn are complied with laws. In the low season, the labour disputes are less obvious. Now, when we have to rush to complete the iPhone 5 orders, the management is inhumane. I do not have a day-off in the past 30 days. Our supervisor announced that we could have 80 overtime hours in September. He even claimed more overtime work was good for us because we could earn a higher salary.

Foxconn never cares about our feeling. If we are not efficient enough, the supervisors always yell at us. In case the daily production target has not been accomplished, we have to stay on the production line. However, the unpaid overtime is seldom more than 15 minutes. For the supervisors and assistant supervisors, they always have to work unpaid overtime. We are only ordinary workers. There is no way for us to defy the factory rules, no matter they are reasonable or not. The working environment is tensed. I always worry that I may have overlooked the defective products. When something goes wrong, we have to write a confession statement. This also means we do not have chance for promotion or wage in case in the coming year.

I live in the dormitory. The 4-room apartment houses 10-20 workers. Even the living room is full of double-deck beds. It takes long to wait for the bathroom. No locker is provided. There is little privacy and security in the dormitory.

Denial of wages due to files lost

A male worker from Hua County who produces the iPhone cases said he was organized by the local government to work at Foxconn. He came with 9 other villagers in late August. After working at Foxconn for a few days, the management informed him that their files were lost and so as the attendance record. Therefore, he and his friends have to register at Foxconn again and they would not be paid any wages. The affected workers have asked their supervisors to give them a full account on the incident, but their supervisors could not help them. He felt deceived by Foxconn and was very angry. He heard that some 300 workers from Xinyang City experienced the same. They lost their wages because of the files lost. Many of them have left the factory.

Workers' voices:

"The daily production target is 6,400 pieces. I am worn out every day. I fall asleep immediately after returning to the dormitory. The demand from Apple determines our lives. On one hand, I hope I can

have a higher wage. On the other hand, I cannot keep working everyday without a day-off," a male machine operator from the metal processing department said.

"We work very hard everyday. All Foxconn emphasizes is efficiency. When the factory is busy, we can have a higher wage. Yet, I have lost myself. I am weary and almost forget who I am. The management blames us by saying that we cannot eat bitterness (endure hardship)," a female worker who examines the iPhone frame exclaimed.





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Xinxiang Technician Institute sent 700 students to Foxconn in Zhengzhou for a so-called internships programme. Source: Xinxiang Technician Institute

Student intern

Both Apple and Foxconn vow to end the abusive use of student interns. Foxconn and Apple are notorious in using involuntary labour in name of interns. The so-called internships are programmes to make young students become temporary workforce. Although the companies promise there will not be any forced and sham internships, SACOM finds the exploitation of student workers remains. A student from Zhengzhou Technician Institute³ who has just joined the school said her school sent 200 students to Foxconn. The school has long history in sending students to work at Foxconn (see picture). Xinxiang Technician Institute 4 also sent over 700 students to work at Foxconn in September. On its website, the school showed Foxconn invited the school to send students to the company.

In fact, the authorities orchestrate the recruitment of student interns for Foxconn. A document from the Zhengzhou Education Bureau revealed that the authorities had to organise students to have internships at Foxconn by 25

August.⁵ It is just a small part of the recruitment programme for Foxconn. The provincial government has ordered each city and township to meet a quota in sending people to Foxconn. Please see the next section.

Forms of recruitment

During the spate of suicides at Foxconn in 2010, Henan Province tried very hard to attract the investment of Foxconn. It made a package of promises to Foxconn, including that it would recruit workers. Due to the high turnover rate at Foxconn and an influx of orders from Apple, the local

³ Zhengzhou Technician Institute is not the official English name of the school. Its Chinese name is 鄭州市技師學院

⁴ Xinxiang Technician Institute is not the official English name of the school. Its Chinese name is 新鄉技師學院.

⁵ Zhengzhou Education Bureau, August 2012. http://www.zzedu.net.cn/zhuanti/20120814/1A4E0FA2E521CD9C7554F9E79248C81A.htm (in Chinese)

governments are pressed by the provincial government to send more workers to Foxconn. Each of the local governments has to meet the quota. In August alone, the Henan government recruited over 30,000 workers for the company.⁶ Yet, it cannot cope with the needs of the factory especially in the peak season. Besides the use of student workers, Foxconn has other means to recruit workers.

省政府督导组来郑督导协助富士康招募员工工作

【大中小】 来源: 就业促进工作办公室(大分办) 时间: 2012-08-29 10:29:28 浏览人次

8月28日上午,省政府督导组杨希云、侯秋平、方雪峰一行三人到我市督导协助富土康招募员工工作。市政府常务副秘书长李喜安在嵩山饭店主持召开座谈汇报会,市人力资源和社会保障局局长戴春枝、副局长徐翠萍、市教育局副局长葛飞、市财政局社保处副处长刘岩及市招募办有关工作人员参加会议。

市人社局局长戴春枝向省督导组汇报了我市协助富士康招募员工工作进展情况。8月份以来,我市采取多种措施加大人员招募力度,共组织报名17337人,面试13685人,面试合格11655人,输送11625人,完成8月份省下达我市招募任务1.86万人的61.5%,占全省招募总人数30232人的38.5%。

省督导组组长杨希云对郑州市在协助富士康招募员工工作中的做法和取得的成绩给予充分肯定,一是市委、市政府高度重视,工作机构健全完善;二是措施得力,部门配合,整体推进;三是创新工作思路,在本地劳动力不足的情况下,及时组成招募工作组赴外地招募;四是工作成效比较明显,郑州市的招募人数将近占全省总招募人数的四分之一。针对我市反映的员工流失严重、县(市)面试等待时间过长等问题,杨希云表示将及时向省政府汇报,督促富士康认真整改。督导组希望郑州市再接再厉,继续采取有效措施做好后续招募工作,圆满完成省政府下达的招募任务。

根据安排,督导工作将持续到9月底。下一步,省政府督导组将到县(市、区)进行督导。

(就业促进工作办公室)



















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A report on Foxconn workers recruitment by the Zhengzhou authorities. It stated that Henan Province sent 30,232 workers to Foxconn in August. Each city or township has to meet the quota given by the provincial government.

Source: Department of Human Resources and Social Security of Zhengzhou

Foxconn's training factory

Foxconn opened a "training factory" in Shangqiu, Henan Province in March 2012. Despite the factory being located in Shangqiu, workers are sent to the Zhengzhou plant for "training." A male worker and some other 600 workers were sent to the Zhengzhou factory. He produces the module camera for the iPhone 5. When they left Shangqiu in May 2012, management told them that they would stay in Zhengzhou for about 20 days. Until early September, they were still working in Zhengzhou. In late August or early September, about 200 Foxconn workers from Shangqiu went on strike because they wanted to go home. Consequentially, Foxconn promised to let them return to Shangqiu at the end of September.

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⁶ Department of Human Resources and Social Security of Zhengzhou, *Provincial government supervisory committee visit Zhengzhou and assist the recruitment at Foxconn*, 29 August 2012, http://www.hazz.hrss.gov.cn/sitegroup/root/html/4aef140429aaa4c60129aab1e67400e0/20120903102240452.html (Chinese).



A job announcement for Foxconn Training Factory in Shangqiu is posted on the local government website.

Source: Sui County Government, Henan Province

Dispatch labour

In the surroundings of Foxconn, there are lots of booths recruiting workers for Foxconn. Most of them only state "Foxconn's recruitment point," without showing they are the labour agencies. Some workers admitted by Foxconn later found that they are dispatch labour hired by Human Pool, a labour agency. The dispatch labour mainly work in Zone F of the factory. The workers sign contracts with Human Pool instead of Foxconn. The workers concerned are not sure if they are protected by the social insurance scheme.

Arbitrary relocation of workers

On the employment contract, the employer must specify the location of the workplace. Yet, Foxconn always relocates workers to the production site in other cities and provinces. Most of the time, workers do not have a choice. Even worse, workers are not sure when can they return to the factory of origin which is always nearer to their hometowns.

Foxconn has factories in more than 20 cities in China. Recently, in order to accomplish the urgent order from Apple, Foxconn relocated workers from different factories to Zhengzhou. "Initially, the management told us to work in Zhengzhou for 3 months. Many workers who came with me have left the factory. The factory is very busy and does not have enough workers. Now, we are told to stay here until Chinese New Year. Foxconn is cheating on us," a female worker from Foxconn's Jincheng plant said. Apart from Jincheng of Shangxi Province, Foxconn also relocated workers from Shenzhen, Yantai of Shandong Province and Taiyuan of Shangxi Province to support the production in Zhengzhou.

Occupational health and safety

Similar to the previous findings by SACOM, the training and protection for workers on work safety is inadequate. A female quality control worker who examines the surface of the iPhone frames witnessed an industrial injury case in June. She saw a worker's finger was cut off and there was lots of blood. No one on the shop floor knew how to handle the case. All the workers just waited for the medical staff to arrive.

Workers who assemble the cameras on the iPhones have to use glue regularly. Even after putting on masks, they still feel the odour is irritating. Workers generally worry that the chemical has adverse impact on their health. In the CNC metal processing department, workers who produce the iPhone frames have to use "cutting fluid." The workers simply name it as "oil." The chemical is used to cool down the temperature of the machine during the production. The floor is full of "oil." The clothes and skin of workers are also stained with the chemical. "The mask is only a superficial measure. The workers can only get the masks on a daily basis since July. Prior to that, they needed to use the masks for a week. Nevertheless, the workers found the masks ineffective in protecting them at all. Besides the smell, the working condition is unpleasant. It is dusty and noisy. It makes workers annoyed. The quality control workers in Zone K shared that they have to use thinner and industrial alcohol. The smell is strong. They know that regular exposure to thinner is bad to their health. Some workers tell if there is no inspection, they will not put on a mask.

Management

Workers have to attend the daily work meeting. The work meeting is a venue to discipline workers for low efficiency or defective products. Some supervisors always yell at the workers that if you do not do your job properly, get out of the factory.

Management in Foxconn is not homogeneous. Some workers do not feel management is too harsh while some feel the working environment is far too intense. An assistant supervisor shared that his supervisor was hostile to the frontline workers. The supervisor taught him to scold workers in order to establish authority. He refused. He observed that many assistant supervisors often scold the production workers. They would threaten the workers not to allocate overtime work to them.

Restriction on toilet break

Workers must acquire an "off-duty permit" which is shared by dozens of workers. The restriction of toilet break is inhumane and unreasonable. A male worker who produces iPhone frames shared an insulting experience. He sorely needed a toilet break. His supervisor allowed him to go. Later on, the security guard barred him for leaving because he did not hold an "off-duty permit". Finally, he wetted his trousers.

Confession letter

A female quality checking worker was asked to write a confession statement to report her mistake for not sitting properly during work. Some workers said the problem of confession statements was not uncommon at Foxconn. When the workers have serious offences, the confession statement will be posted in the public.

Food and dormitory

Workers usually spend CNY 300-400 on food a month. Workers have to pay CNY 150 a month for the dormitory. Workers who work in the Processing Zone live in the apartment shared by more than 10-20 people. Workers have to share the toilet and bathroom after work. This leads to conflict among workers. Furthermore, the workers from day shift and night shift often disturb others. Therefore, some workers prefer to rent a small room on their own. They have to pay about CNY 450 a month.

Strike

Several interviewees reported that in June and July, there were several strikes at Foxconn because of low wages. Workers attribute pay rise in August to those strikes. On September 5, some 60 dispatch workers from Zone F went on strike. The dispatch workers were discontented that they did not enjoy the same protection as the regular workers. A few workers reported that the workers on

strike were dismissed and would never be employed by Foxconn again. This is a flagrant violation of freedom of association.

Trade union

In line with SACOM's previous findings, most of the workers do not understand that the union should defend the rights of workers. Some of them joined the union only when their supervisors passed a book for them to sign on it. Nevertheless, the supervisors did not explain anything to them. On August 20, a female worker who produces iPhone cases relayed the same experience.

Conclusion

SACOM is disturbed that the old problems of labour rights abuses remain norms at Foxconn. And the problems are further intensified during the peak season. Even though Foxconn is the primary one responsible for the labour abuses, the problems are rooted in the buying practices and the slack monitoring system by Apple.

Apple and the world cannot rely upon the Fair Labor Association to be the only solution for the problems at Foxconn. First of all, the FLA is not independent from Apple and will not criticize the low unit price and short delivery time of its members. Secondly, Foxconn has ample resources to cover up the pressing issues on the production lines from FLA investigators. Thirdly, the FLA does not have authority to press Apple and Foxconn for remedial actions.

Given the limits to the FLA monitoring system, SACOM calls on consumers to exert pressure on Foxconn and Apple to establish truly ethical labour practices. We demand Foxconn and Apple to:

- facilitate a genuine trade union at Foxconn in order to let workers defend their rights collectively;
- provide a living wage for workers so they do not need to work excessive overtime;
- end the sham internship and other forms of flexible labour by extending the delivery time when placing orders; and
- deliver adequate training for workers on occupational health and training.

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