

Update :3000 to 4000 workers strike at Foxconn's China factory

China Labor Watch

October 5, 2012

FOR IMMEDIATE RELEASE:



Workers for Foxconn Zhengzhou

Photograph: Ye Fudao/worker for Foxconn Zhengzhou

(New York) China Labor Watch (CLW) announced that at 1:00PM on October 5 (Beijing time), a strike occurred at Foxconn's Zhengzhou factory that, according to workers, involved three to four thousand production workers. In addition to demanding that workers work during the holiday, Foxconn raised overly strict demands on product quality without providing worker training for the corresponding skills. This led to workers turning out products that did not meet standards and ultimately put a tremendous amount of pressure on workers. Additionally, quality control inspectors fell into conflicts with workers and were beat up multiple times by workers. Factory management turned a deaf ear to complaints about these conflicts and took no corrective measures. The result of both of these circumstances was a widespread work stoppage on the factory floor among workers and inspectors.

The majority of workers who participated in this strike were workers from the OQC (onsite quality control) line. According to workers, multiple iPhone 5 production lines from various factory buildings were in a state of paralysis for the entire day. It was reported that factory management and Apple, despite design defects, raised strict quality demands on workers, including indentations standards of 0.02mm and demands related to scratches on frames and back covers. With such demands, employees could not even turn out iPhones that met the standard. This led to a tremendous amount of pressure on workers. On top of this, they were not permitted to have a vacation during the holiday. This combination of factors led to the strike.

That quality control inspectors would also strike is of no surprise. According to workers, there was a fight between workers and quality control inspectors in area K that led to the damage in inspection room CA, the injury of some people, and the hospitalization of others. After this, another similar incident occurred in area K, once again leading to quality control inspectors getting beat up. Yesterday, inspectors in area L received physical threats. When inspectors reported these issues to factory management, the management simply ignored and turned their back on the issue. For these reasons, all day and night shift inspectors carried out a work stoppage today that paralyzed the production lines.

CLW Executive Director Li Qiang said, "This strike is a result of the fact that these workers just have too much pressure."

October 14,2012

<http://www.chinalaborwatch.org/news/new-439.html>

China Business Journal confirmed that 3,000 to 4,000 workers refused to work at Foxconn ZhengZhou

After CLW released a press release on October 5th on a strike occurred in Foxconn ZhengZhou, we received some doubts on the number of workers who participated in the strike. Today, China Business Journal published a report on the strike, they interviewed many workers in Foxconn ZhengZhou, part of this article confirmed our press release.

We translated the entire article. For more details, please have a look at this link.

<http://tech.sina.com.cn/it/2012-10-14/09257700137.shtml>

China Business Journal is a leading provider for financial news and information. it's a weekly journal, and the circulation is 850,000 every week.

October 14, 2012 09:25 China Business Journal

(Translated from Chinese)

As the riot at Foxconn Taiyuan on September 23 was still under heated discussion, more news broke out about several thousand workers going on strike at Foxconn Zhengzhou during the 2012 National Holiday in China. Why on Earth do management problems occur so frequently at the world's largest supply company known for being careful about management?

On October 5th, a large worker strike occurred at Zhengzhou Foxconn. Although Zhengzhou Foxconn denied quickly that the strike had several thousand workers involved and instead attributed the incident to 'three to four hundred workers expressing appeals in the form of intentional absenteeism, for a period of time only lasting two hours'. My investigation has revealed that there were several hundred workers directly involved in the conflict and another three to four thousand workers insisted on not showing up for work as a form of protest. The whole strike lasted almost two days. As for the reason of the conflict, it was a result of the managerial disorder and pressure from performance assessments.

Forced overtime

In the southern part of Zhengzhou, near the Xinzheng International Airport, is a 10-square kilometer area that has become the largest investment project in recent years---Foxconn's Zhengzhou factory. It is one of the three factories that were constructed when Foxconn decided to build plants in He'nan province in July 2008. Foxconn Zhengzhou is also the largest of the three. There were 120,000 workers there when this factory welcomed a visit from Apple CEO Tim Cook in March of this year. Two other factories, in the Zhengzhou Economic and Technological

Development Zone and Zhongmou County, had a total of 60,000 workers. Judging from its production operations, Foxconn Zhengzhou is primarily producing Apple phones.

On October 7th, when the news about 'thousands of workers striking at Foxconn' was still a hot issue being reprinted all over the place, Foxconn's Zhengzhou campus, a source of news, had already calmed down.

On the scene, CBJ reporters saw on that, as usual, there were many recruitment booths around the factory gate broadcasting recruitment policies and advantages of working at Foxconn, accepting inquiring groups of twos or threes. The managers of the booths were staff from the local government's labor department completing their recruitment duties as well as staff from Foxconn.

Wang Chunpei, who has worked at Foxconn for more than seven years, belongs to the second type of staff mentioned above. "Recruiting is more relaxing than working in the factory," he said, "but the task of recruiting 300 new employees each month is still a huge challenge. It's not easy to complete."

Wang Chunpei received some phone calls and messages on October 6 from some workers on strike in the campus, requesting him not to employ new workers and to join the strike. Wang said there were three to four thousand workers that refused to work overtime. He told the reporter, until the night of October 6, there were still many people that protested by refusing to work. Until 12 AM, striking employees were "suppressed" by assistant security guards at Foxconn. Several workers who led the strike were forced to resign, and the line leader who first initiated the verbal conflict with workers "cannot work here any more".

On October 6, Foxconn spokesperson Liu Kun told the media, "the labor union has been trying its best to communicate, and this situation has essentially calmed down." However, he did not explain the specific causes of this strike.

After interviewing several Foxconn workers, this reporter learned that this conflict originated from the fact that the three-day break for the national holiday in Foxconn was not implemented in all production facilities. Some production facilities had no day off during the holiday, including some production lines in Area K (there are eight areas, including A, K, B, E, C, F, D, L, and Area K, F, and L are all assembling iPhones).

A Foxconn worker helped this reporter calculate the following. In Foxconn, according to regulations, working overtime during the holiday for one day (including the prolonged overtime hours that day) would equal a daily income of almost 400 RMB (\$62.5), and work during the three-day holiday would lead to around 1,000 RMB (\$156.3) in wages. However, if calculated as a normal working day, there would be a huge gap in wages for Foxconn's workers.

As confirmed by several workers, the reasons above led to the conflict initially that broke out in a production line on the second floor in building 06 of Area K right before noon on October 5. A crowd of workers flooded into the offices of Foxconn management to protest. The circumstance reached a climax on the 6th: some employees personally saw "the beating of a line leader dressed in red".

The system makes way for performance

The official employment policy of Foxconn shows that the basic monthly wage of a newly-hired worker is 1,800 RMB (\$281.3). If calculated as normal working hours—8 hours a day, 22 days a month—and after deducting a pre-wage dormitory fee of 150 RMB (\$23.8), the daily price of a worker's labor is 75 RMB (\$11.7), or around 9 RMB (\$1.4) an hour. If they work less than 22 days, then the 75 RMB (\$11.7) a day would be reduced (the social security and insurance fees would be deducted before getting the monthly wage, too).

The reality at Foxconn is, the more overtime you work, the more money you earn. An income without overtime hours is small. Although visible regulations indicate that Foxconn employees have to have one day off each week, working overtime depends entirely on the willingness of workers. However, the workers admit that when hurrying out orders, there will be some forced overtime practices.

Some workers told this reporter, "everyday (I) start work at 8 am and get off at 6 pm. With 2 more hours of overtime, I will stay on campus for 12 hours. Within the Foxconn working hour design, most of the workers tacitly consider overtime as 'normal working hours'. If there is someone who does not want to work overtime, there will be 'a little bit of trouble' from lower management."

A line leader, Fu Wenjie, in charge of a dozen of workers, told this reporter that if the daily quota was not achieved, they would be scolded or even be moved to other places. His team is in charge of smearing protective agents onto the aluminum magnesium alloy frame of the iPhone 5 in order to eliminate the probability of scratches. According to the performance of his production line, he will receive a year-end bonus of from 2,000 RMB (\$312.5) to almost 10,000 (\$1562.5) RMB.

Fu Wenjie said he would rather see the workers work overtime together, because once there are workers not willing to work overtime, he will need to report to supervisors and apply for workers to be transferred from other lines. Fu said that on a production line, absence of workers means that products will be squeezed on the production line. Once one link begins to lag, it might delay the ability of other links to match up, finally bringing about poor performance marks of the whole production line.

In addition, workers on every production line have repeated the same simple operation for months, almost operating unconsciously. The skilled, highly-efficient operation brought about from such mechanical repetition is not possessed by those who are transferred temporarily from other lines.

Although most workers are willing to work overtime for more money, taking leave or absenteeism still sometimes occurs. This brings about friction between lower-level management line leaders and young, volatile workers, which are not uncommon among Foxconn's lower-level management. As for the large strike that just occurred, Wang underplayed it saying, "it is actually very common."

The mess of recruiting

As a matter of fact, ever since August, when Foxconn received the order from Apple, it has faced a hunger for labor. According to information from He'nan provincial government, Foxconn Zhengzhou will need 200,000 workers (with 180,000 currently) by the year's end to complete the production order of 100,000,000 iPhones for Apple within the year.

"16 to 45 years old," When replying to an inquiry about employment qualifications at Foxconn, Guo Xiangming, general manager at Zhengzhou Haogongyou Human Resource Co., Ltd. said, "as long as they aren't lacking arms or legs, anyone could be employed."

Haogongyou is a local labor agency in Zhengzhou. Compared to dispatching workers through other channels, recruiting for Foxconn will bring additional benefits to the agency. Each time a worker is found by Haogongyou and employed by Foxconn, Haogongyou will receive a 400 RMB (\$62.5) allowance. This allowance is the special preference granted by Foxconn to all local departments of labor in He'nan province, but the labor departments always seek the help of social labor agencies. Therefore, agencies like Haogongyou all work for Foxconn.

As the largest investment project in He'nan, Foxconn agrees to be located in Zhengzhou on the condition of several types of preferential treatments. Among them is that the He'nan government assists in recruiting for Foxconn. As decided at the He'nan Governor's Office Conference on August 4, He'nan province will assist in the employment of 200,000 workers for Foxconn. This assignment was assigned to 18 local governments from around He'nan province, and those local counties or cities that could not complete the assignment would be criticized.

Ever since Foxconn got the order from Apple to produce the iPhone 5 in August, Foxconn employees' idle working status in June and July has been replaced by a tense status. A labor agency staff member who does not want

to disclose their name told this reporter that currently some production lines have shifted from having one day off every 20 days to having one day off every 30 days. And based on the hot sales of Apple products in the past, Foxconn will sustain such an intense working status until the end of the year.

Foxconn workers now work on 'two shifts', and production is rushed day and night to fully use the production potential of the production lines, pushing out more products.

In order to help Foxconn recruit enough labor, the He'nan government has carried out a subsidy policy, giving each employee a one-time subsidy of 200 RMB (\$31.3) to work at Foxconn. Even given this, all local labor departments have expressed that pressure to recruit is really high and that the recruitment quota is difficult to achieve.

Guo told this reporter that at present, there is a labor shortage at Foxconn and employment qualifications are not strict. From less-educated migrant workers to third- or lower--tier vocational college students who are arranged into internships by their schools, are all working at Foxconn. There is a huge difference in ages of the workers, and they also come from different parts of China. Foxconn's hunger for labor as well as the individual cultural differences among its workers might be important, difficult-to-neglect reasons for the successive collective events that have occurred in such a short period of time at Foxconn.

Update: October 12

This is a relatively comprehensive report from The Economic Observer (China). This report interviewed many workers in Foxconn ZhengZhou, including some workers who participated in the strike on October 5th. According to this report, because some of the quality inspectors were beaten up, they started to organize this strike from October 2nd. The strike started on October 5th. The following is a weblink to the article. We are translating this article.

<http://www.donews.com/it/201210/1677708.shtm>

According to the information CLW received from workers in Foxconn ZhengZhou, After the strike, Foxconn is taking measures to resolve the conflicts between production line workers and quality inspectors. They have increased the number of workers on production line.

Update: October 8

According to several Chinese reports, Foxconn spokesman said that around 400 workers were absent from work. I am doubtful of whether this number is true. The details people neglected is that these 400 workers are workers who didn't come back to work on October 5th until the second day. On October 5th, according to several of our information resources, we confirmed that there were 3000-4000 workers who participated in the strike. Foxconn spokesman used a word which can be translated as "union expression" of the workers, however, they forgot to mention how many workers are involved in this "union expression".

In fact, the production line in Foxconn is a streamline, if these workers stopped, there must be some stoppage of their

production line. I believe that they put more workers on the production line, but I don't think it is possible for them to continue the production completely. I've worked in a streamline before. In a stream line of 23 workers, if two workers left, the production line has to stop. In the 3 branch factories involved in this incident, there are around 7,000 quality inspectors in total.

I believe that some workers work overtime voluntarily. But some of the workers have to go to work because they work in a stream line. If they don't go to work, they will get a lot of pressure from both the factories and their colleagues who are willing to work overtime.

Li Qiang

Update: October 6

From October 1st to October 8th, it is the national Holiday in China. Foxcom required workers in the ZhengZhou Factory to work during this time to meet the production demand of iphone 5. On October 5th, workers from the OQC (onsite quality control) line went to the factory and then left due to the conflicts. Foxcom denied that these workers strike. However, according to the workers, they went on strike instead of not volunteering to work overtime. October 5th is a holiday, the workers are paid 3 times their normal pay. These workers went back to work on Saturday.

Updat: October 7,2012

According to the information provided to us by 3 workers at Foxconn Zhengzhou. On October 5th, at the beginning, over 300 quality inspectors refused to swipe their cards and go to work in the morning. Later on, quality inspectors from 3 branch factories start to participate in the strike. The workers told us that there are around 100 quality inspectors per production workshop, and more than 70 production workshops were involved. At the peak of the incident, around 3000-4,000 workers participated in the strike. Later on, the company authorities get involved and promised they would deal with their requests seriously, but they did not provide any detailed measures. Some of these workers went back to work, and some of them continued the strike. On the second day, the factory announced that anyone who is absent from work will be fired immediately. Most of the workers went back to work. Some of the workers left the factory.

(Fourthly, when we released our initial report on October 5th, I contacted 3 workers in factory to verify the information we received and we published all the information we confirmed by that time. But we have an investigator in that area, and he talked with many workers.)

About what happened on October 5th in Foxconn ZhengZhou, please see these two reports from Hongkong MingBao and CCStock. They have their own information source from workers in the factory. And what they found from their information source is consistent with our report.

<http://hk.news.yahoo.com/iphone%E6%8E%89%E6%BC%86%E5%BC%95%E7%88%86%E5%AF%8C%E8%98%8B%E6%9E%9C%E9%80%BC%E5%8A%A0%E5%BC%B7%E8%B3%AA%E6%AA%A2%E9%84%AD%E5%B7%9E%E5%BB%A0%E5%B7%A5%E4%BA%BA%E5%85%A7%E8%A8%8C-213329642.html>

http://news.xinhuanet.com/fortune/2012-10/08/c_123792757.htm

About China Labor Watch:

Founded in 2000, China Labor Watch is an independent not-for-profit organization. In the past ten years, CLW has collaborated with labor organizations and the media to conduct a series of in-depth assessments of factories in China that produce toys, bikes, shoes, furniture, clothing, and electronics for some of the largest companies. CLW's New York office creates reports from these investigations, educates the international community on supply chain labor issues, and pressures corporations to improve conditions for workers.

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147 W 35th Street , STE 406,New York,NY 10001

Tel: 212-244-4049 | Fax:212-244-4146 | clw@chinalaborwatch.org