DailyFinance: Apple, HP, and Sony Open Probes into Latest Foxconn Suicides

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When you buy a new gadget from Apple (AAPL), it’s easy to marvel at the design ingenuity and technological innovation of Steve Jobs and his Cupertino, Calif.-based colleagues. But how often do you think about the men and women who actually assembled that iPhone or iPad, a world away from One Infinite Loop, Apple’s Silicon Valley headquarters?

This week, international attention has focused on the enormous Foxconn factory in the Chinese city of Shenzhen, where 13 workers have tried to commit suicide in the first five months of this year, with 10 succeeding. Hours after Foxconn’s chairman, Terry Gou, took reporters on a tour of the industrial complex Wednesday in an attempt to ease concerns, a 23-year-old man jumped to his death from a dormitory balcony. And on Thursday, a 25-year-old man who had worked at Foxconn for only two months slit his wrists in his dorm room, but survived.

The deaths have prompted Apple and Hewlett Packard (HPQ), whose products are assembled in the factory, to initiate probes into the situation. On Friday, Sony (SNE), Nokia (NOK) and Nintendo (NTDOY), which also produce products at the plant, said they would also investigate the suicides.

Foxconn Promises Changes, Pay Raises

Foxconn has pledged to do more to reduce the number of suicides by increasing counseling and installing safety nets around its huge dormitory towers. The company has also said it will increase worker pay.

"We want to make every worker have a happy life and work environment here," Gou said Wednesday, according to an Associated Press dispatch from Shenzhen. Foxconn has asked its employees to sign a document saying they will not commit suicide, and will instead seek medical treatment, Bloomberg reported.

On Friday, labor activists protested outside the company headquarters in Taipei, according to the AFP. "We urge Hon Hai to respect life and to stop its inhuman and militarised treatment of workers aimed at maximising profits," the wire service quoted protest leader Lin Tzu-wen as saying. "The workers have to stand all day and they are not allowed to talk. They are treated almost like machines in a sweatshop environment."

In July of 2009, a worker at Foxconn, which is a subsidiary of Hon Hai Precision Industries, Taiwan's largest company, killed himself after reportedly becoming distraught upon losing a prototype iPhone. At the time, New York-based China Labor Watch, pinned the man's death on "Foxconn's inhumane and militant management system, which lacks fundamental respect for human rights."

Part Factory, Part City

The word "factory" is something of a misnomer: It would be more accurate to describe Foxconn's facility as a manufacturing city, according to the AP. Large-scale industrial production is booming in China on a mind-boggling scale. Imagine a gated industrial complex that sprawls across five square miles and employs hundreds of thousands of people on assembly lines running 24 hours per day. The workers live there, eat there and shop there. And they make your iPhones and other electronic devices.

Gou's Wednesday tour of the facility represented something of a reversal of policy for the secretive company. Last year, Foxconn refused to take a Western reporter on a tour of the assembly lines, and guards threatened to beat up his translator. And earlier this year, guards outside a nearby Foxconn factory actually did assaulted a Reuters reporter.

As several observers have pointed out, China’s annual suicide rate was 13 men and 15 women for every 100,000 people, according to World Health Organization statistics from 1999, so the Foxconn suicide rate doesn't appear to be abnormally large, though comparing workplace and general suicide stats can be tricky, especially when you're talking about a place like Shenzhen, where employees live and work in close proximity. Still, Apple and HP both said this week that they are investigating the suicides.

"We are in direct contact with Foxconn senior management and we believe they are taking this matter very seriously," Apple said in a
statement. “A team from Apple is independently evaluating the steps they are taking to address these tragic events and we will continue our ongoing inspections of the facilities where our products are made.”