With the Wages That Have Been Stolen From Them, Apple Factory Workers Could Buy 1,460 iPhone 6s a Month

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By Michelle Chen

Apple has just unveiled a fresh batch of cutting-edge products to the dazzlement of consumers worldwide. Also this week, labor watchdogs revealed fresh evidence of systematic labor abuses in Apple’s supply chain in China—to a decidedly more muted response from the tech world. The revelations of wage and hour violations and hazardous working conditions don’t herald a new invention; they instead represent a new status quo of relentless technological progress that comes at a hidden social cost that is shifted onto an invisible labor force.

Catcher Technology, a facility producing casings for Apple products in Suqian City in Jiangsu, has subjected thousands of workers to exploitative conditions, according to a report by the New York–based China Labor Watch (CLW) and environmental watchdog Green America. The findings suggest little has changed at the facility since an earlier study exposing similar violations in 2013. Back then, Apple had promised to investigate and resolve the problems. The new report lists even more problems—more than twenty violations overall, of the company’s own labor code of conduct, as well as Chinese labor law, from wage theft to lack of clear employment contract procedures to toxic exposures.

Although it is unclear whether the newly documented violations (uncovered by an investigator posing as a front-line worker) were also happening during the 2013 investigation, CLW Program Coordinator Kevin Slaten says the overall evidence points to a general negligence of structural labor problems in Apple’s global production chain.

Slaten stressed that among tech multinationals, including rival Samsung, Apple is by no means unique in its labor practices. But given Apple’s brand power, Slaten says, “we were trying to make a point...that even the number one brand in the consumer electronics industry is not necessarily living up to their own promotion, their code of conduct [or] the promises that they made specifically on this factory.”

The problems all speak to a general disempowerment of the workforce, which is perpetually subject to gruelingly intense work regimens, harsh living conditions and the tight grip of surveillance and social management on the factory grounds and in the spartan worker dormitories.

“A lot of this has to do with the business relationship between the factory and the brand companies,” Slaten says. “Brand companies are looking to maximize profit, and they’re going to continue to press prices downward, and the only sort of flexible input left for the factories is labor.”

The monthly base pay at Catcher, according to the report, is about $1500 RMB (less than $250). But workers can more than double the base wage with overtime pay (working up to 100 overtime hours per month, though some goes uncompensated), plus bonus work like nightshifts and shifts that require working in “high temperature” enclosures.

But CLW asserts that workers’ pay is continually undermined by various fees and unfair deductions, including charges for food, water and utilities; overpriced items at the commissary store; and what appears to be underpayment of social insurance from workers’ paychecks. Overtime miscalculation was rampant, according to the investigation. The underreported hours that workers spend on the job lead to cumulative debt of some $290,000 in unpaid wages per month (about 1,460 iPhone 6s).

In the Tayloristically mechanized computer numerical control (CNC) department, where the investigator was assigned to work with a sophisticated computer-assisted production process, work shifts regularly exceeded ten hours per day, and the time swiping in and out of the unit is tightly controlled to ensure constant rates of production. Workers churn out iPad casings at a frenetic pace of about 144 covers per hour.

But since the management controls overtime scheduling, CLW reports, “workers are not allowed to choose if they want to work overtime. If they do not want to work overtime, they will be scolded by the line leader.” Workers left their shifts “covered in sweat every day.” Not surprisingly, turnover rates in the department were very high. Workers appear to cycle in and out, getting rehired to different departments, creating instability for individual workers within a steady stream of labor for the company.

According to the report, the site lacked adequate safety exits and there was poor ventilation, even amidst piles of aluminum-magnesium alloy shreddings and potentially hazardous airborne dust. Workers lacked adequate protective gear, such as respiratory masks and
gloves, despite regular exposure to irritating chemicals.

Although Apple has touted “green” production lines, the investigator spotted toxic fluids pooling outside the facility, seeping “into groundwater and local rivers.”

Apple claims that Catcher is one of many supplier factories regularly audited throughout the year. The official statement in response to the report contends that “our inspectors are there constantly.” The company says that, although it considers Catcher to have a strong environmental and labor record, which “has averaged 95 percent compliance with our 60-hour workweek limit this year,” Apple has “dispatched a team there immediately to investigate this report.”

The workers at Catcher seem largely, and reasonably, silent on their working conditions. According to CLW’s investigator, the only real grievance procedure at Catcher was an obscure complaint hotline. When the investigator called to discuss labor conditions, he immediately encountered interference from supervisors.

And even quitting is hard. The investigator found that workers are pressured not to quit during high-production periods. Those seeking to leave are deterred from formally resigning. Supervisors instead pressure them “to quit without going through proper procedures, under which circumstances workers may not obtain their unpaid wages.”

In sum, workers are subjected to coercion at every point in their employment, with each moment on the factory floor hypermanaged, and sometimes even restrained from leaving.

But will workers push back? Labor strife has periodically flared up in Apple’s global supply chains. Unrest and protests erupted at Apple supplier factories in 2012 in Zhengzhou and Taiyuan. More recently in the Philippines, labor advocates have alleged that Apple supplier NXP Semiconductors sacked twenty-four union representatives in retaliation for their organizing activities. But CLW found no militancy in the ranks at Catcher. Instead, an attitude of resignation had set in. With no functioning union, workers seemed to feel powerless to change their situation.

The journal of the investigator suggests why: “There is no time for thinking about anything else but one’s work,” he wrote. “If someone is caught losing focus for a moment, he will be yelled at by the supervisors. Other than working the machine, workers sleep after work.”

These workers create the machines of tomorrow. Yet their lives have precious little space or time for anything but work. As Apple consumers rush to get their iWatch, they might spare a moment to contemplate the toll borne by the people who fashion those gadgets overseas.