Apple should not profit at the expense of low-wage workers

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by Li Qiang

I used to have an iPhone 4. It's the best smartphone I ever owned. Apple's designers pursue the highest standards for the quality of the technology they create.

As a human rights and labour activist, I once genuinely hoped Apple would apply the same earnestness employed in the pursuit of product quality to its treatment of the workers making its products. I hoped the fantastic profits resulting from Apple's technological advancements could allow equally great improvements in working conditions. Just like Apple CEO Tim Cook said: "We care about every worker in our worldwide supply chain."

However, the company's efforts have made me lose hope. On February 28, I received an email from someone who said his brother-in-law, Tian Fulei, had died suddenly at the Pegatron factory. The medical records I saw gave the cause as "sudden death". Tian had kept an overtime log - he worked 12-hour shifts, up to seven days a week. That's 84 hours. Keep in mind Apple has repeatedly in public committed to a working week of no more than 60 hours, except in emergencies.

Watchdogs and the media have found that overtime is mandatory in Apple supplier plants. Particularly around the time the company is preparing to release new products, it's very difficult to get any time off.

In 2013, a 15-year-old child worker at Pegatron named Shi Zhaokun died. The cause given was pneumonia. Based on the attendance records provided to Shi's parents by the factory, in the four weeks before he died, Shi laboured for 280 hours, or an average of 70 hours per week.

It's unclear how many workers have died at Pegatron or Apple's other suppliers. In 2013, Pegatron said four workers had died. But we know of at least one other death. Such deaths could well have been prevented. But Apple and Pegatron both say they were not related to the working environment.

Long hours of overtime is just one of the many facets of poor working conditions in Apple's supplier factories. On March 9, more than 300 workers from Foxconn factories in Chengdu and Shenzhen were sent to the Quanta factory in Changshu to support the production of the Apple Watch. They were forced to sleep on a bus to Changshu because the factory did not have any space in its dormitory.

In order to get the watches to the markets by April 24, Apple demanded that other manufacturers provide workers to Quanta. Foxconn workers have been at Quanta Changshu since January. These workers, from Shenzhen, have been forced to produce watches in freezing temperatures, wearing only thin work uniforms. A Changshu hospital said that nearly 100 Quanta workers had become sick, among whom more than 10 had developed severe eczema.

Work 12 hours a day, sleep in a freezing dormitory at night. These are the conditions faced by the nearly 30,000 workers brought to Changshu over the past three months. Workers told me they are cold and worried about getting sick. They are also concerned that if they quit, they will not get their due wages.

Apple always claims it does better on labour conditions than others in the industry. The problem is that most other companies are in the red or restructuring. If Apple doesn't uphold labour rights, it's even less likely that others will.

In the final quarter of 2014, Apple's profits reached US$18 billion, while the total labour cost of 1.6 million workers in its supply chain was only US$3.4 billion, about 18 per cent of its profit and 4.4 per cent of its revenue.

To resolve poor labour conditions, Apple must pursue profit maximisation only within a framework of sufficient investment in labour. Based on a conservative estimate by us, it would cost Apple about US$1.9 billion a quarter to improve conditions in its supply chain.

Workers who make hi-tech products can also benefit from technological advancement. Their labour deserves dignity. Ultimately, technology should serve people. Until I see Apple reform labour conditions in its supply chain, I will not buy another Apple product.

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