US must acknowledge worker abuse linked to its corporate giants like Apple

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By CLW Executive Director, Li Qiang

As the presidential election season gets under way, American politicians have used the coming state visit of Chinese President Xi Jinping as an occasion to criticise China's human rights record.

I have spent more than a decade striving to improve civil rights in China. My efforts, like those of other Chinese activists, have regularly been obstructed by the Chinese government. Beijing's efforts to suppress civil rights should receive condemnation. But the problem with American politicians' criticism is that it selectively ignores human rights abuses that threaten the economic interests of the US.

While politicians go after China's human rights record, tens of millions of Chinese workers, who make products for multinational corporations that will be consumed by Americans, are working more than 10 hours per day, six days per week, for less than US$2 per hour. Tens of thousands of underage Chinese workers toil on production lines churning out orders for American companies. Factories regularly use toxic chemicals in their production processes and lack adequate safety protocols, leading to many workers suffering injuries or a serious occupational disease. Minority groups and women face widespread employment discrimination by factories across China.

The Chinese supply chain of Apple is a clear example of human rights abuses perpetrated by American companies. Our investigations found that a major Chinese supplier factory to Apple called Pegatron would not hire ethnic Tibetans or Uygurs. In 2013, a 15-year old child worker died while on an Apple production line. This is only one of tens of cases of young Chinese workers in Apple's supply chain dying of abnormal causes over the past five years. Apple and its supplier plants in China deny responsibility for these deaths. Ironically, Apple claims it does more to improve working conditions in its supply chain than any other company.

In August last year, an explosion at Zhongrong Metal Products, a General Motors supplier in Kunshan, southeastern China, killed some 146 workers. Yet GM maintains it has a responsible supply chain.

These are just two examples of widespread violations of the rights of Chinese workers by American multinationals. We rarely hear American politicians who criticise China's human rights violations also mention the abuses visited on Chinese workers by American companies, not even those that lead to a loss of life.

There are costs to corporations like Apple truly remedying their human rights violations. Based on five years of researching Apple's supply chain, our preliminary estimate tells us that if it wanted to improve working conditions and comply with Chinese labour laws, costs would rise by about US$5 billion, or 11 per cent of its 2014 net profit.

Last year, China's exports to the US were worth US$396 billion. Most of these exports are products manufactured in China for US consumption. We can conservatively estimate that, for Chinese workers to be paid a living wage and work in conditions in line with Chinese regulations and the corporate social responsibility standards of multinational corporations, the US would collectively need to pay tens of billions of dollars more in labour costs. Abuses against Chinese workers' rights by American corporations yield enormous economic benefits for the US.

American companies must not be able to evade their responsibility for violations of Chinese workers' rights. Suppliers engage in brutal price competition. Strict quality standards for materials and products mean that, for suppliers, only the cost of labour is malleable. Situated at the bottom of the supply chain, Chinese workers have no choice but to bear the costs.

American politicians must acknowledge that US companies are continuing to benefit from these violations. Chinese workers' rights are human rights, too.

Li Qiang is the founder and executive director of China Labor Watch
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