



Follow Up on Foxconn

Thursday, August 28, 2008

Foxconn Investigation

Basic Fact

This report on Foxconn Corporation provides a description of one of the production sections on site, focusing mainly on the electronic section of CCPBG. The report also discusses issues such as the factory's general living and food conditions

CCPBG focuses its production on video game consoles, computer CD-R CD-RW DVD-RW DVD-RAM DVD-Dual DVD-Multi, and laptop parts. Its primary clients are Lenovo, Nintendo, Sony, and Philips.

There are six production belts on CCPBG's production site, and each production belt consists of about 40 workers. Currently only five production belts are operating, producing CD ROMs for Sony, Lenovo and Philips.



Work Hours and Work Environment

Excluding supervisors and quality assurance technicians, workers from four of the five currently operating production belts are recruited from the general populace, and another belt consists of college interns from a university in Sichuan.

The schedule below, however, only applies to college interns. Full-time workers begin their afternoon and overtime work at 12 PM and 5 PM, resulting in only 30 minutes for lunch and afternoon breaks. From the schedule, one can see that a college intern works ten hours daily, and regular workers work about 11 to 12 hours daily.

	Morning	Lunch Break	Afternoon	Break	Overtime
Regular Workers	8 : 00AM—11 : 30AM	11 : 30AM—12 : 30PM	12 : 30PM—4 : 30PM	4 : 30PM—5:30PM	5 : 30PM—8 : 00PM
College Intern	8 : 00AM—11 : 30AM	11 : 30AM—12 : 00PM	12 : 00PM—4 : 30PM	4 : 30PM—5:00PM	5 : 00PM—8 : 00PM

In terms of off days, regular workers have one off day every two weeks, and college interns are entitled to one rest day a week. When the production site is in need of mass production, both regular workers and college interns can only have one off day a month.

While according to the schedule workers do not have to begin work until 8AM, CCPBG requires workers to be present at the production site no later than 7:50AM with no payment for the ten extra minutes. Thus, under the nation's work day regulation of 24 regular working days a month, each month, workers are given wages for 240 minutes, thus compensated for four hours fewer than they deserve.

Because the production site manufactures by production belts, workers often experience difficulty in requesting days off.

According to CCPBG, overtime is voluntary. However, since workers earn very little base wage for working only regular hours, they generally volunteer to work overtime. Even when workers request not to work overtime, their requests are usually denied.

Workers are able to have short ten minute breaks at 10 AM and 2:30 PM. During the breaks, workers are able to stretch, drink water, or

use the bathroom, though leaving the production site is prohibited. On CCPBG production site, workers are required to stand while working. Moreover, according to workers, in the entire Foxconn campus, only workers producing merchandises for Apple are offered a stool to sit while working. Since workers are required to stand at the same place for hours when working, during the break, almost all the workers would sit down and rest on the benches at the rest area, and some workers even sit down on the floor near their post right when the break begins (Due to work regulations, workers are required to take off their shoes before entering the production site.)

Each production belt has a set quota. If workers fail to reach the required production quota, their hours will be extended without payment. For instance, CCPBG sets the quota of assembling 1,550 Sony CD-ROMs within the ten hour work day on a production belt for college interns. Should the quota not be fulfilled by 8 PM on that day, the interns would have to work extended hours for free to complete the quota. Because regular workers are experienced and are able to accomplish requirements on time, the quotas on their production belts are much higher.

Though professionals, regular workers are often lectured by supervisors for the slightest mistake. An interviewed regular worker expressed, *"As a Foxconn worker, I cannot treat myself as a human being."* He suggested that a human being has self-esteem, but he does not. Compared to regular workers, college interns generally do not receive lectures.

Work Safety and Health

Before working full-time, workers receive training regarding safety production. Workshop does provide adequate safety equipments such as face mask or gloves to workers. In the workshop, fans, air conditioners, and other ventilation systems are installed.

In terms of insurance, among 11 interviewed regular workers, three are unsure whether they are insured with work injury or medical, five stated that there is only work injury insurance, and three said there is medical insurance, but are uncertain whether they are insured with work injury insurance. All eight college interns stated that they are not insured.

Wages

CCPBG complies with Shenzhen City's minimum wage requirement of 750 RMB, 21.75 work days a month, and eight regular daily work hours.

Example:

Subject	Base Wage	Regular Overtime	Off day Overtime	Holiday Overtime
Wage	750RMB/Month	6.46RMB/Hour	8.62RMB/Hour	12.93RMB/Hour
Average	750RMB/Month	44Hours= 284RMB	40Hours= 344RMB	Total Earned= 1378RMB

The chart above uses a worker working 10 hours a day, six days a week as an example. From the chart, one can see that with 44 hours of regular overtime and 40 hours of off day overtime a month, the worker is able to earn approximately 1,378 RMB a month. However, without any overtime, the worker is only able to receive the minimum of 750 RMB, a paltry wage to cover living expenses, let alone encourage upward social mobility.

On the 11 th of each month, CCPBG distributes payment to workers along with a pay stub. The pay stub /includes information such as number of hours worked, overtime hours, base wage, overtime wage, and etc. Though there has not been a case of wage arrear, according to a few interviewed workers, there has been cases of miscalculation of overtime hours from five to eight hours less, and even after raising the issue to the management, the problem has yet to be solved.

Living and Food Conditions

Factory canteens have TV, air conditioners or fans on site. A large canteen has the capacity to accommodate 1,000 people, and a small one has the capacity to accommodate 300. Among 17 interviewed workers, 14 are satisfied with the canteen food, and three are not so pleased, mainly due to the crowding and noise.

Canteens are operated by a third-party food company. The factory deposits 11 RMB, the maximum daily spending, on each work day into workers' meal card account. Unless working, such as on off days or holidays, workers are responsible for their own meal expenses. In addition, at the end of each month, the factory clears the remaining amount on each worker's meal card, and workers are not able to rollover unused meal credits to the following month.

Factory canteens provide three meals each day. Breakfast consists of bread, soy milk, fried noodle or rice. Each entrée costs 0.5 RMB, and workers are able to choose three entrées. The maximum spending for lunch is 4.5 RMB, and workers can choose one meat and two vegetable dishes, or one meat and two vegetable dishes. Moreover, workers can also choose the prepared meal which /includes fried rice or noodles, sausage and chicken leg. The limit for dinner is 5 RMB. Workers have same choices as the lunch meal, but are also given a choice of a fruit. Although self-service rice and soup is provided during lunch and dinner at no cost, it is prohibited to leave leftover rice. After finishing up the meal and returning the plates and utensils, there are employees designated to check for left over food. If one has left rice uneaten on the plate, he or she will be asked to finish it. If the worker had not eaten the rice because there was no entree left, he can have free refill for any entrée until there is no rice remaining. If the worker did not finish the rice for other reasons, he is asked to give a sufficient reason. Such requirements put workers under tremendous pressure. When asked if there is any penalty for not being able to finish the rice, among seven workers, one said it leads to a small warning and six were unsure.

There are employees taking complaints for food in the canteen, ranging from bad food quality to sanitation issues. Most workers said

very few people have filed complaints, thus giving these employees an easy job.

Dormitories are built on site at Foxconn. The buildings had originally been workshops, but they were renovated into open spaces for workers to live in. The sizes of the dormitories vary: a big dormitory room has the capacity to house a couple hundred workers, and a small one can house about 30 workers. Since there are only fans installed in the dormitories, workers have complained that they felt suffocated when they first moved in.

According to workers, each dormitory floor has a public shower and restroom shared among about 300 workers. There is also a room for drinking water on each floor. Interviewed workers have called the dormitory a "garbage dorm."



Foxconn: 1. Recruitment Process

A total of 13 workers and technicians working for the PCEBG, CCPBG, and CNSBG groups on Foxconn campus are interviewed. Among the 13 interviewees, eight were from Longhua Foxconn, and five were from Guanlang Foxconn.

Technician's Requirements (Quality Assurance person and etc.)

To apply for a technician job at Foxconn, typically, one needs to submit a resume online. Upon receiving notification for an interview over the phone, the applicant needs to head to Foxconn's headquarters in Longhua City. At the headquarters, the applicant first acquires a temporary entrance pass, takes a written test, and then is given an in person interview. That procedure generally can be completed within one day, sometimes two. After the interview, the applicant waits for the result.

Regular Worker's Recruitment

Recruitment of regular workers often takes place at Foxconn's recruitment center. Some workers are recruited through technical schools or recruiting agencies. Each recruitment involves tens to hundred of applicants. Each applicant is required to provide an identification card and a health certificate. There is also another health check up during the hiring process, mainly to check whether the applicant has an obvious disability or tattoos. The practice described above combined with the recruiter's interview will determine whether the applicant is hired.

2. Interning Process

Technician's Training

Upon recruitment, new technicians need to arrange time to begin interning either at Foxconn headquarters in Longhua City, the factory in Guanlan City, or at different locations regarding which the CLW investigator did not gather the details. The training consists of two processes lasting about one month: first, the professional knowledge on the job, then the learning about the factory's management system. Such procedures are called "brain wash" by current employees because the training primarily focuses on the acceptance of the factory's strict management rules and the acknowledgement of its culture. After the training, the technicians are then transferred to work shops to work with regular workers. They work over ten hours a day, and if production needs are not heavy, there is one off day a week. However, if production needs are high, it is impossible to have even one rest day a month. During the course, there are recruiters from other factories coming in to select suitable technicians. Generally, a technician will be selected after working as a regular worker for two months, though there are some that did not get picked after six months and were required to work as regular workers until being drafted. During this process, many would quit voluntarily.

Regular Worker's Training.

New workers are also required to attend a one week technician training session, which consists of two processes: learning about work health and safe production, and the factory's regulations. New workers will then be transferred to workshops and work with other workers, completing more than ten hours of work a day while waiting to be drafted by recruiters. For regular workers, however, such process is much longer, generally about three months or more.

3. Treatment during Internship

(New technicians and workers receive the same treatment)

In reality, such training is a way for Foxconn to avoid providing workers with adequate pay. During the training, workers and technicians are only paid about 500 RMB a month, excluding housing and food expenses. Furthermore, during this period, Foxconn does not offer a contract, and all new employees enter and exit the factory with a temporary pass.

4. Condition during Training

Technician

The daily food expense standard is more than 11 RMB. Breakfast costs at least 1.5 RMB, and includes an egg, and a small portion of beans and vegetables. Lunch and dinner costs at least 4.5 RMB, and dinner has an additional choice of a fruit.

Some dorm rooms house eight persons per room, and there are no tables or restrooms inside the room. A separate shower room in the building has a capacity of 12 people. The doors and windows in the restrooms are dirty and broken, and are rarely cleaned. Safety in the dormitory is poor: theft is rampant, and workers generally do not leave any valuable assets in the room. However, since the local area is not too safe, it is also very risky to carry around valuable property.

Regular Worker

Food conditions for regular workers are similar to those of technicians besides not given fruit for dinner from time to time.

Dormitories are built on site at Foxconn. The buildings had originally been workshops, but they were renovated into open spaces for workers to live in. The sizes of the dormitories vary: a big dormitory room has the capacity to house a couple hundred workers, and a small one can house about 30 workers. Since there are only fans installed in the dormitories, workers have complained that they felt suffocated especially in the summer because of the high temperature.

In terms of safety conditions, regular workers' dormitory, where theft occurs on a daily basis, is much more dangerous. Workers lose their belongings such as walkman, shoes, clothes, watches, mobile phones, and sometimes even whole luggages.

A Foxconn Worker's Story

I was raised in a farmer's family with five family members: my grandfather, parents, older brother and I. We own about eight acres of land, but since my grandfather is elderly, he cannot help my parents grow crops. My older brother is in college, and as for me, I am currently 19 years old, and just last month I was recruited by Foxconn through the arrangement my school. Besides the earnings from growing crops, there is no additional income for my family. In the past, we had owed some money to relatives because my parents had to support my brother and my education. Since I just graduated from a technical school, I was able to leave home to work and send some money home to pay for my brother's education and other debts.

After graduation, I was told by my school that it could arrange for my classmates and me to work at Shenzhen Foxconn. The school then gave us an introduction of Foxconn. At that time, I knew Foxconn's campus in Shenzhen is huge, but had no idea just how big it was until I got there. There were about 200 of us, guided by school teachers heading to Shenzhen. It took us about 30 hours by train and then by bus to reach Shenzhen Foxconn.

I was placed in a dormitory that has ten three-level bunk beds, thus accommodating 30 people. While many people refused to stay there at that time, the management said that it is much better than the other dormitories on site that are shared by hundreds of workers. Although I still had some negative feelings towards the dorm room, at the same time, I felt lucky for not having to live in a dorm room shared by hundreds. Just the second day living in the dorm, however, I found my safe box open, and my walkman gone. There was nothing I could do but to try to tell myself that I was lucky because it was not that expensive.

The training begins immediately on the second day upon our arrival. At first I thought we would be informed of some professional operative skills and knowledge, but instead, we were taught the factory's regulations, culture, and acknowledgment of Foxconn's business concept. By now, I think it is safe to say that the training is a part of Foxconn's brain washing process. A supervisor told us that working at Foxconn requires total obedience; you do not need to be intelligent or highly skilled. After a week of training, we concluded that at Foxconn, we shouldn't treat ourselves as human beings, we are just machines. During the week, we also had a health examination, a very simple blood test, a blood pressure test and a vision test. We did not receive any results afterwards.

After the one week of in-class training, we begin our on-site training, which is a modest way of telling us that we have to work as long as regular workers, with minimal compensation. Since we are still under training, Foxconn did not give us a contract to sign.

I consider myself lucky because one week after the on-site training I was selected by a CCPBG recruiter, which means I am officially a regular worker. When the selection takes place, it seems like a slave market where slave owners get to pick suitable slaves. There were about a couple hundred of us going through on-site training, and when the recruiters from other companies on Foxconn campus come, all of us have to stand straight in lines, putting our hands behind our backs, and wait for these recruiters to pick. After the selection ends, those who did not get picked go back to their work post. They cannot become regular workers until being picked so I was very lucky to be selected the first week. Many of my classmates are still doing on-site training waiting to be picked.

Twenty people including myself were selected and brought to the workshop where I will finally begin as a regular worker. First, the supervisor and assistant manager explain to us the rules of the workshop: no talking at work, no leaving work post at will, and etc. Then, the section supervisor gave us a lecture, emphasizing that we are no longer in school and that we have to work hard. Afterwards, I was assigned to my post, and few days later, I was offered a contract to sign. Since I was very inexperienced at that time, I did not even look at the contract details, and I still have yet to take a look at what exactly is on my contract.

My work post at that time was connecting computer wires. Later, I was assigned to another production line that produces CD-ROMs. I believe the whole workshop is producing for Sony.

Everyday I wake up at 7 AM, head to the workshop at 7:30 AM, place all personal items that contain metal, such as mobile phones, keys, pens and etc., into the shoe shelf, change into my uniform, and begin working at 8 AM. Although CCPBG states that work begins at 8 AM, it actually requires workers to be present at the workshop by 7:30 AM, and those 30 minutes are unpaid.

My current position is at the end of the production belt, installing four screws onto each CD-ROM case. At first I was not very skilled, and many times, either I was not able to install screws fast enough, decelerating the production or the screws were too loose. Thus the first week, I was often insulted by my supervisor. It was at that time when many workers decided to quit, not having been paid the adequate wages that we deserved. Like those workers, I was on the verge of quitting, but after I thought about my brother's education, and my family's limited income, I stayed. I am much better at my job now, though the speed of the production line moves so quickly that I have to continue to install screws on the CD-ROMs nonstop until lunch time, which is at noon. Before exiting the workshop, we have to go through a metal detector test, and if the alarm goes off, security will need to conduct a search to find the cause. If the cause is not work-related, we are allowed to pass.

We have a one hour lunch break. During break, the whole campus is filled with people, and we have to be very careful not to run into anyone. The situation in the canteen is even worse, and I generally have to wait more than ten minutes to get the meal. The lunch meal consists of two meat dishes and one vegetable dish, and rice is self-service, though I don't recommend taking too much rice since left over rice results in a fine. Since I always finish what I have on the plate, I am not too certain of the details of the fine.

At 1 PM, we return to our work and continue what was left off earlier this morning. The afternoon is the most difficult part of the day, and since there is no time for nap after lunch, I often feel drowsy. We get off work at 5 PM, have dinner, rest for a while, and then at 6 PM overtime begins. We usually get off work at 8 PM, having completed two hours of overtime. However, if we were unable to complete the production quota in the allotted time, we would be insulted by supervisors and asked to work until the quota is reached. Moreover, those additional hours are unpaid. I was told by other experienced workers that each month there are about ten overtime hours uncounted, excluding the extra 30 minutes of unpaid work each morning.

Since I have been standing at the same spot working for more than ten hours, when I return to the dorm at night, I feel so exhausted and don't want to move. The dormitory is very inconvenient. I have to walk to the other side of the dormitory to take a shower, drink water, or use the bathroom. Since there's only one shower room on each floor, I often have to wait for a long time before I can take a shower and go to sleep.

Although the dormitory is free, my classmate and I decided to move out for safety reasons. Now, I live in a one bedroom apartment about 25 minutes' drive from Foxconn. The rent is 300 RMB and we split the cost. Including the bus fare, which is 4 RMB roundtrip, about 120 RMB a month, I spend about a total of 270 RMB a month. Although I have to wake up much earlier to go to work, I feel much safer.

I was told by other workers that it is difficult to distinguish between peak and slow season at Foxconn. When it is busy, we have to work more than ten hours a day and most likely get one off day a month. When work is slow, we still have to work over ten hours a day, though we have three to four off days a month. This month I have only two off days, and since the crime rate at where I live is high, and I have often heard cases of robberies nearby, I usually stay home when I don't have to work. When my classmate and I miss our homes, we cook some of our local dishes as a remedy to our homesickness.

There is too much pressure during the day. I never have time to think, and only at night would I think about my parents at home. I want to call them, but there's no time to call during the day, and at night, I feel guilty calling because my parents are probably exhausted from working in the field all day. The only chance I have to call them is on my off days. Perhaps in the future, when the company switches me to night shifts I would have more opportunities to call home.

As for the future, I have not thought about it yet. Currently I earn about 1,500 RMB a month, which /includes the minimum wage of 750 RMB and all the overtime hours I have worked. I will continue to work at Foxconn until my brother graduates and all the debts in the family paid off. Life is too difficult here. I feel like I have no self-esteem.

Dear friends, Chinese workers desperately need you aid!

We ask you to use the following letter to help raise the companies' social awareness.

To Whom It May concern:

I write to seek your immediate attention on your supplier's poor labor practice. Recently, China Labor Watch, a New York-based labor rights organization has released a report on CCPBG Group, one of your suppliers in China producing on the Foxconn Campus located in Shenzhen. The investigation documents the group's poor labor practices:

- College interns work ten hours daily and regular workers work about 11 to 12 hours daily.
- Lack of rest days as required by law; regular workers have one day off every two weeks.
- Inadequate Premium; workers are asked to work thirty minutes prior to the scheduled time with no overtime premium. Moreover, failure to reach production quota will result in extended work hours without overtime premium.
- Compulsory Overtime; CCPBG usually rejects workers' request for no overtime.
- Workers are unable to retrieve their wages from miscalculation in work hours upon raising the issue to the management.
- Poor dormitory's conditions; There is a poor smell in the dormitory, and theft occur frequently. Interviewed workers referred to the dormitory as "The garbage dorm".

I am looking forward to hear the actions your company is taking in order to remedy the problems. I believe that by using your considerable influence, workers would soon be able to preserve their rights.

The devastating toll on workers' rights, health and safety at CCPBG requires your immediate attention!

Regards,

Please forward this letter to your friend

Corporation Contact Information

Nintendo 

Philips 

Sony 

Lenovo 

China Labor Watch | 147 W 35 St, Ste 406, NYC, NY 10001
+1-212-244-4049 | clw@chinalaborwatch.org
Powered by CuteSoft.net.