

Foxconn Corporation



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 Philip.*

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 Philip.

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 11th 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: 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.

1.1 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.

1.2 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

2.1 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.

2.2 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