



# Keeping Pressure on Apple to Promote Real Changes at Apple and Foxconn

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by Li Qiang

First, I want to thank Mr. Ross Eisenbrey for the opportunity to share my experiences protecting workers' rights in China. Over the past 11 years, I have been in the US advocating for the rights of Chinese workers through my organization China Labor Watch. I am sorry that I can only speak limited English and thus require a translator to assist me.

Recently, Tim Cook and Aulet van Heerden, the CEOs of Apple and FLA, respectively, have both denied that Foxconn factories qualify as "sweatshops." The traditional definition of "sweatshops" is any factory where workers work in a tough and dangerous environment; they may be exposed to hazardous materials, extreme temperatures, or radiation, and must work long working hours for low wages. However, this definition must be modified for modern society. At Foxconn workers are treated like machines, and they can only earn enough to live on by working excessive overtime. The labor intensity at Foxconn is inhumanly high, and the working environment is indifferent and harsh. The value of human life is disregarded, and workers are regularly pushed beyond their physical and emotional limits. I believe such a factory is a "sweatshop."

I'd like everyone to imagine a factory in the US where a worker must work on his feet ten hours a day. He lives thousands of miles away from home and cannot return to see his family for years on end because the factory does not offer him sufficient leave. His base salary is not enough to cover his most basic expenses so he is forced to work overtime. However, his overtime salary is often withheld, or even unpaid. He is constantly abused verbally by his managers. After several years of work, he will be forced to leave his position because he can no longer keep up with the intense pace of the job. What do you think of this American factory? Is it a sweatshop or not?

In 2006, China Labor Watch helped a journalist organize a visit to Foxconn. After the journalist reported the working conditions in Foxconn, Apple did a follow-up investigation. Here is an excerpt from Apple's 2006 audit report of Foxconn:

"We did find... that employees worked longer hours than permitted by our Code of Conduct, which limits normal workweeks to 60 hours and requires at least one day off each week. We reviewed seven months of records from multiple shifts of different production lines and found that the weekly limit was exceeded 35% of the time and employees worked more than six consecutive days 25% of the time."

In the report, Apple also wrote that they *"were not satisfied... with the living conditions of three of the off-site leased dorms that we visited."* In our investigation, China Labor Watch found that in some cases 300 people lived in the same dorm.

Looking at the report, it is clear that Apple discovered many of the problems addressed in the FLA report as early as 2006. However, our follow-up investigations in the past 5 years found that the only real improvement was with dorm conditions. Workers now live in eight people to a dorm room instead of 300 people.

As for wage increases, I have not seen much improvement over the last couple years. From 2004 to 2010, the basic monthly salary for Foxconn workers increased from RMB 380 to RMB 1200. In 2010 after a series of worker suicides, Foxconn increased its basic monthly salary to RMB 1550. While these figures may seem impressive, they do not take into account China's rapid inflation. If Foxconn did not increase its salary, it would be unable to recruit enough young workers to work under such high work intensity.

The working hours are decreasing at Foxconn. In 2004, workers worked on average 320 to 350 hours per month. By last year, this number had already fallen to 280 hours per month. However, less overtime only means higher work intensity. Workers now need to finish 11 hours of work in 10 hours. In our investigation, the workers often feel exhausted, which is also proved by the high turnover rate of workers at Foxconn.

To evaluate if the increase of salary and the decrease of overtime at Foxconn is a real improvement, we need to use two indicators. First, is the workers' basic salary enough to maintain a basic lifestyle? Second, are the workers satisfied with the working intensity? Independent organizations can obtain this information by interviewing or surveying workers in the factories. If these two indicators show no progress, then the increase in salary and decrease in overtime is not actually improving workers' conditions. China Labor Watch just finished a report on 10 Apple suppliers in China. We are compiling the report now and will release the report in the near future.

In Apple's 2012 Progress Report on Apple Supplier Responsibility, the same problems remain unresolved. However, Apple shirked its own responsibility by simply blaming the supplier for not obeying Apple's standards. However, Apple exerts great control and influence on its

suppliers; any improvement in the factories will have to start from Apple. If Apple does not increase the order price for its suppliers, the suppliers can only make marginal profits and are thus unable to improve working conditions. Therefore, Apple, rather than Foxconn or other Apple suppliers, should be responsible for the working conditions in its supplier factories.

### Thoughts on Apple's Independent Audits

I'd like to share a couple thoughts I have about Apple's recent decision to have FLA conduct independent audits in its Foxconn supplier factories. First, I believe that without public pressure Apple would never cooperate with a third-party auditor; their change in policy reflects the ongoing successes of the broader labor movement in society.

Second, and this is really important, since FLA was founded 12 years ago, of the dozens of companies that have joined FLA and invited FLA to perform factory audits, not a single one uses supplier factories with conditions better than Foxconn. From ten years of investigations at China Labor Watch, I can guarantee you; none of the corporate members of FLA have supplier factories with better overall working conditions than Foxconn.

In the FLA member factories that we have recently investigated, workers consistently work more than 60 hours a week. While these workers may work longer hours than their counterparts at Foxconn, their wages are still lower.

Apple and Foxconn have recently pledged to reduce workers' work time to 49 hours a week. Of the hundreds of Chinese factories we have investigated over the last twelve years, not one FLA member's supplier factory has honored such a standard. In fact, workers at these factories regularly work over 80 hours overtime each month. They don't receive a living wage and commonly suffer workplace injuries, and some have even worked themselves to death.

Third, I absolutely do not oppose cooperation between NGOs and multinational corporations—on the contrary, I believe China's labor problems can only be resolved through the involvement of all relevant parties. However, I believe FLA's report on Foxconn is above all a public relations stunt to guard Apple from public criticism. FLA's public relations strategies are quite refined; they raised several labor issues at Foxconn, but did not pay due attention to the most fundamental problems, like labor intensity, student labor, and safety conditions. At the same time, they placed the burden of responsibility on the supplier and shifted responsibility away from Apple and onto other brands. Apple is the wealthiest and most powerful company in the world. It has the means to single-handedly improve factory conditions. The solution is simple, too—just raise order prices. Apple must lead the pack; only after they change their procurement policies, will other companies be willing to change. By enlisting the PR help of FLA, Apple has shirked its responsibility and saved tons of money—money that they would have otherwise had to spend to improve factory conditions directly.

Of course, improving Chinese labor conditions is not the sole responsibility of Apple and Foxconn. Other brands must participate in reform, and relevant government policies in China and the US must be implemented. Without the earnest efforts of all relevant parties, the path to improving working conditions in China will continue to be slow and painful.

### Pressure from Consumers and Civil Society Organizations

SACOM, Good Electronics, MakeltFair, and other organizations have published reports on Apple and Foxconn and apply pressure on these two corporations in various ways. The changes in Foxconn's dorm conditions and the recent guarantees from Foxconn and Apple to increase salaries and decrease overtime would never happen without the efforts of these organizations.

### What Can We Do?

Apple only reforms when their consumers begin to speak out. Therefore, one of the best ways to promote change is to write a letter to Apple, call Apple, or voice your concerns to an Apple employee. You can also write to your congressmen to express your concern and your desire for a change in government policy.

You can also organize seminars on Apple suppliers, just like the seminar today. As long as there is continued pressure on Apple and Foxconn, the companies will keep implementing changes in their labor practice.

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