

China: Report exposes Foxconn's oppressive work regime

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A report published last month on labour conditions inside the Chinese factories of giant electronics manufacturer Foxconn has provided graphic details of the oppressive regime facing hundreds of thousands of young employees.

The investigation followed widespread anger in China and internationally over a series of suicides by Foxconn employees earlier this year. Its findings were widely published in China's state-run media, indicating a degree of official approval. By doing so, the Chinese Communist Party (CCP) is trying to distance itself from the rapacious practices in the country's manufacturing sweatshops—conditions that it has created and which it enforces through its police-state methods.

While limited in its conclusions, the report is nevertheless an indictment of exploitative conditions facing the Chinese working class, especially the hundreds of millions of young rural migrant workers born in the 1980s and 1990s. These were the layers who initiated a wave of strikes in May and June in auto and electronics plants, demanding better pay and conditions.

The investigation, conducted from June to August, was carried out by 60 academics and students from 20 universities in China, Hong Kong and Taiwan. It involved surveys of 1,736 workers in 12 factories based in nine different cities, and 19 members of the investigative team worked at Foxconn over several months.

The Foxconn “empire” is the world's largest outsourcer for the production of electronic goods for major international corporations such as Apple, Dell and Nokia. In 2009, the company exported \$59.3 billion of manufactured products—larger than the annual exports of middle-sized economies such as Finland and Portugal.

The vast majority of Foxconn's 900,000-plus employees are between the ages of 16 and 24. The report found that many workers are student interns, highlighting the role of schools as labour agents for the country's sweatshops. In Foxconn's Kunshan complex, for instance, there were 10,000 students over the summer holidays, out of a total workforce of 60,000.

Most student interns are from technical schools. Aged between 16 and 18, they are forced to work on the assembly line for up to 2 years. With no contracts or legal rights, the interns are on the lowest monthly pay of 1,200 yuan (\$180). Students are illegally forced to work overtime and night shifts. Ten-hour days without overtime pay are common.

In 2006, the education ministry issued a regulation that gave the green light to employers to exploit school interns in the name of “combining study with work”. Under conditions in which spending on public

education has been slashed, many schools rushed to send students to work as a means of getting additional revenue. The schools receive a fee for their “cooperation” with private businesses.

Students are only the most exploited Foxconn workers. Surveys showed that 73.3 percent of employees work 10 hours or more a day. Average overtime is 83.2 hours a month—an obvious breach of the official labour laws, which limit monthly overtime to 36 hours.

Moreover, by setting unrealistic workloads for each shift, Foxconn forces workers to carry out “voluntary overtime” without pay until the quotas are met. The investigation found that since the scandal over suicides, Foxconn has only intensified workloads, in the name of cutting overtime hours.

A worker from the giant Longhua complex in Shenzhen explained: “Simple, you must finish in five days what was for six days, because the company is not stupid enough to delay its orders to keep workers' overtime short. In other words, the order is the same, the production time has been shortened, and naturally our output in a given time has increased. The exploitation of us has been intensified.”

The report detailed the impact of this speedup. Under the increased pressure, 12.7 percent of workers experienced fainting spells, 24.1 percent of female workers had irregularities in their menstrual cycle and 47.9 percent of workers complained of mental stress.

As a result of their low pay, most workers are forced to live in crowded factory dormitories. On average, each worker has a space of about two square metres. They rarely talk to each other as they are too exhausted. The food is poor. In the words of one worker, you must learn that eating is to fill your stomach, not for taste. Diarrhea caused by poor hygiene is common.

Most cannot afford the company's celebrated entertainment facilities, which include swimming pools and cinemas. They spend their little free time online. According to the report, the result is the “alienation of workers, causing collective damages to workers' psychology” and leading to suicides.

Foxconn's philosophy

Foxconn's billionaire CEO Terry Guo has elaborated a corporate “philosophy”—a business code that sums up and justifies the military-style

regime enforced in the company's factories. One of his sayings is "democracy is the most inefficient thing" in the world. While no capitalist workplace is democratically organised, the Foxconn regime excludes any say by workers. It is a ruthless system of rules and punishments.

According to Guo, workers do not need an independent mind. They are to strictly follow management's instructions and mechanically repeat a few simple operations. Workers can only enter their work zones after passing through multiple security checks. Like an army, workers and managers are strictly organised into a hierarchy of ranks, with different uniforms and different rights. Verbal and physical abuse of workers by their superiors is common.

Foxconn's work rules include: First, no sleeping, talking, laughing and walking is allowed. Second, workers must apply for a certificate to leave their post to go to the toilet, for a time not exceeding 10 minutes. Third, chairs must be arranged tidily and cannot cross specified yellow lines. Fourth, all uniforms must be tidy.

Any violation of these rules can activate a range of 127 punishments, from formal warnings up to sacking. Many other informal punishments are used, including copying Guo's sayings hundreds of times or making humiliating public "self-criticisms".

While the cult of Chairman Mao is a distant memory in China, a new personality cult of Guo has been created at Foxconn. Workers are indoctrinated with his rags-to-riches "success" story. His slogans for greater efficiency are up on the factory walls. The tales of other well-known entrepreneurs such as Microsoft's Bill Gates are taught in employee training courses. As the report explained, the purpose is to make workers more devoted to their jobs so they can be "more actively exploited by Foxconn".

Foxconn's regime is enforced by an all-pervasive security force. The report describes Foxconn as "a forbidden city"—off limits to all outsiders. Even the police cannot easily enter. If workers ring the police emergency number, their calls are automatically redirected back to the company's security department. A worker at the Shenzhen Guanlan complex explained: "Foxconn is a violent institution, like a state with its own army and police."

The investigations found widespread hostility to the state-run trade unions. "They are useless, even when you make a complaint to them," one worker said. "They are in the same boat with the company," another commented.

The main role of the unions is not to defend the basic rights of workers, but to glorify Foxconn's corporate regime. At the company's morale-boosting rallies in August, the unions displayed their own portraits of Guo. Union officials declared: "Grandpa Guo, you have worked too hard."

As the report explained: "Workers are surely 'free' to choose to leave Foxconn, but under China's social and economic system of being a 'workshop of the world', workers can only choose to work for this or that sweatshop, or sell himself to this or that 'Foxconn'." However, even resignation is not automatic. It is a complex procedure, requiring the approval of 15 managerial personnel, that is dictated by Foxconn's labour requirements and can take months.

Tame conclusions

The report points to the lack of basic democratic rights for workers, government policies that are actively pro-employer and the discriminatory character of China's urban household system, which relegates rural migrants to second-class citizens. It employs pseudo-Marxist terminology, referring critically to Foxconn's extraction of "maximum surplus value from workers" and the exploitation of workers by "transnational capital".

The report declares that the "black hand" behind Foxconn is the "monopolistic capitalist mode of production, and unless such a mode of production is changed... new tragedies are inevitable." It points out: "In the global chain of industries dominated by transnational corporations, manufacturing is at the lowest end of the rate of profit, with the lowest wages for workers." By threatening to shift their orders, transnational corporations force their suppliers in China to lower wages, prolong working hours and intensify workloads.

But report's conclusions are obviously framed to meet the political requirements of the CCP regime. Its recommendations are framed as appeals to the government that is responsible for transforming China into the sweatshop of the world. It calls for better wages, recognition of workers' rights and the development of hi-tech industries that will create better living standards for workers.

Even in the unlikely event that the CCP bureaucracy were to implement some or all of the report's proposals, the present capitalist mode of production will continue to reproduce the oppressive conditions faced by hundreds of millions of workers in China. Given the deepening crisis of global capitalism, however, the ruling elites in China, like their counterparts around the world, will continue to intensify their exploitation of the working class.

The only means of ending capitalism is through its revolutionary overthrow by the working class. To combat the giant transnational corporations that dominate the global economy, the only alternative is for workers in China to unite with their class brothers and sisters around the world on the basis of a socialist and internationalist program.



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