

**The Labor Politics of Global Production:
Foxconn, the State, and China's New Working Class**

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Declaration of Authorship

I, Jenny Chan, hereby declare that this doctoral dissertation is based on my research. Where I have consulted the work of others, this is always clearly stated.

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Abstract

The Taiwanese transnational corporation Foxconn Technology Group holds more than 50 percent of market share in global electronics manufacturing. Its 1.4 million employees in China far exceed its combined workforce in 28 other countries that comprise its global empire. This sociological research assesses the conditions of a new generation of Chinese workers on the basis of the intertwined policies and practices of Foxconn, international brands (notably Apple), and the local government, as well as the diverse forms of collective actions workers deploy to defend their rights and interests.

The Chinese industrial working class, now composed primarily of young rural migrants and teenage student interns, is a result of actions by local officials to mobilize students as “interns” through vocational schools. This use of student labor helps fulfill corporate needs for short-term labor at times of peak demand, circumventing the law, and dragging down social and economic standards. My fieldwork documents for contemporary China the ways in which the integration of the electronics manufacturing industry in global supply chains has intensified labor conflicts and class antagonism.

Within the tight delivery deadlines, some Foxconn workers leveraged their power to disrupt production to demand higher pay and better conditions. While all of these labor struggles were short-lived and limited in scope to a single factory, protestors exposed the injustice of “iSlavery,” garnering wide media attention and civil society support. Contradictions of state-labor-capital relations, however, remain sharp. In the contentious authoritarian system, notwithstanding the resilience of the Chinese state in the face of sustained popular unrest over the last two decades, my ethnographic study highlights the unstable nature of precarious labor in its hundreds of millions.

(272 words)

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Friends of the Hong Kong-based labor rights group SACOM (Students and Scholars Against Corporate Misbehavior), particularly Debby, Yiyi, Parry, Ken, Vivien, Sophia, YC, Mei, Suetwah, Kiki, Yunxue, Kwan, Alexandra, and Jack Lin-chuan Qiu provided me with great comfort during the difficult times. Together we have responded to a worker’s challenge: “If you have come to help me, you are wasting your time. But if you’ve come because your liberation is bound up with mine, then let us work together.”

In the four years I have been working on this research, I acknowledge generous scholarships and funding support from University of London, Hong Kong Polytechnic University, and the Great Britain-China Centre. For his good advice and practical assistance throughout this long journey, I specially thank Jeff Hermanson.

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Chapter 1

Introduction

To die is the only way to testify that we ever lived
Perhaps for the Foxconn employees and employees like us
we, who are called *nongmingong*,¹ rural migrant workers
the use of death is simply to testify that we were ever alive at all
and that while we lived, we had only despair.

—An anonymous Chinese rural migrant worker²

During 2010, 18 workers attempted suicide at Foxconn Technology Group's facilities where Apple and other branded products are fine-tuned and assembled in China. They ranged in age from 17 to 25 — the prime of youth. Fourteen died, while four survived with crippling injuries (see *Appendix 1* for a list of suicides at Taiwanese-owned Foxconn). These shocking events focused world attention on the manufacturing supply chains of China's export industry and the experience of working within them. What had driven these young rural migrant workers to commit such a desperate act?

After the spate of suicides, and facing a storm of public and international criticism, Foxconn strove to minimize reputational damage by claiming that the suicide rate at its plants was below the national rate of 23 per 100,000 people.³ Liu Kun, the corporate public communications director, pointed out that Foxconn had “more than 1,000,000 employees in China alone [in 2010],” and that the reasons for suicides were multiple. The workers who attempted suicides suffered from individual psychological problems such as poor mental health, depression, distress over heavy debts, or family and other personal problems. “Given its size, the rate of self-killing at Foxconn is not necessarily far from China's relatively high average,” reported *The Guardian* newspaper.⁴ But it is impossible to ignore the fact that the suicides were by young people employed by a single company, the majority working in one industrial district of Shenzhen, on the northern border of Hong Kong. The Foxconn

¹ Rural migrant workers (*nongmingong* 農民工 or *mingong* 民工).

² The blog post entitled “*Zhiyou siwang zhengming women cenjing huozhe*” (只有死亡証明我們曾經活著) was removed three days after its first appearance online on 27 May 2010.

³ Michael R. Phillips, Xianyun Li and Yanping Zhang, 2002, “Suicide Rates in China, 1995-99,” *The Lancet* 359, pp. 835-40.

⁴ Jonathan Watts, 28 May 2010, “Foxconn Offers Pay Rises and Suicide Nets as Fears Grow Over Wave of Deaths,” *The Guardian*.

<http://www.guardian.co.uk/world/2010/may/28/foxconn-plant-china-deaths-suicides>

suicide cluster represents a phenomenon that has no precedent in China's industrial history, and perhaps in that of any other country.⁵

Foxconn hired western and Chinese psychologists and psychiatrists to defend it in the wake of the plague of worker suicides at the company. After "the 9th Foxconn jumper" committed suicide on 11 May 2010 (seven had passed away since January), nine Chinese sociologists⁶ formed an independent team to issue a public statement calling on Foxconn and the Chinese government to act decisively to end the tragic chain of suicides. It reads:

From the moment they [the new generation of migrant workers] step beyond the doors of their houses, they never think of going back to farming like their parents. In this sense, they see no other option when they enter the city to work. The moment they see there is little possibility of building a home in the city through hard work, the very meaning of their work collapses. The path ahead is blocked, and the road to retreat is closed. Trapped in this situation, the new generation of migrant workers faces a serious identity crisis and this magnifies psychological and emotional problems. Digging into this deeper level of societal and structural conditions, we come closer to understanding the "no way back" mentality of these Foxconn employees.⁷

Unlike the first wave of internal migrant workers, who left the countryside to work in special economic zones in coastal China for several years before returning home, the younger and better-educated cohorts now massing in China's cities appear to reject the regimented hardships their predecessors silently endured as cheap labor

⁵ Pun Ngai, Shen Yuan, Guo Yuhua, Lu Huilin, Jenny Chan and Mark Selden, 2014, "Worker-Intellectual Unity: Trans-Border Sociological Intervention in Foxconn," *Current Sociology* 62(2), pp. 209-22; and, *The Asia-Pacific Journal*, 2014, Vol. 12, Issue 11, No. 3, March 17. http://japanfocus.org/-Shen-Yuan_/4093; Jenny Chan, 2013, "A Suicide Survivor: The Life of a Chinese Worker," *New Technology, Worker and Employment* 28(2), pp. 84-99; and, *The Asia-Pacific Journal* Vol. 11, Issue 31, No.1, August 12. <http://www.japanfocus.org/-Jenny-Chan/3977>; Jenny Chan and Pun Ngai, 2010, "Suicide as Protest for the New Generation of Chinese Migrant Workers: Foxconn, Global Capital, and the State," *The Asia-Pacific Journal* 37-2-10, September 13. <http://japanfocus.org/-Jenny-Chan/3408>; Jenny Chan, 23 May 2010, "Dying Young," Hong Kong: Students and Scholars Against Corporate Misbehavior. <http://sacom.hk/archives/640>

⁶ The nine signatories of the open statement dated 18 May 2010 are: Shen Yuan (Tsinghua University), Guo Yuhua (Tsinghua University), Lu Huilin (Peking University), Pun Ngai (Hong Kong Polytechnic University), Dai Jianzhong (Beijing Academy of Social Sciences), Tan Shen (China Academy of Social Sciences), Shen Hong (China Academy of Social Sciences), Ren Yan (Sun Yat-sen University), and Zhang Dunfu (Shanghai University).

⁷ Full text in Chinese: <http://tech.sina.com.cn/it/2010-05-19/13214206671.shtml>; English translation: <http://sacom.hk/appeal-by-sociologists-address-to-the-problems-of-new-generations-of-chinese-migrant-workers/>

and second-class citizens. In their defiant deaths, the workers call on the Chinese nation — and international society — to wake up before more lives are sacrificed.⁸



The large banner on the ground reads, “What is the price of a human body?” The banner on the top right says, “Dreams shattered.” Taiwanese demonstrators place flowers to remember the Foxconn Chinese worker victims on 28 May 2010. Photo credit: Wang Hao-zhong.

Through their own expressions, workers share their frustrations, their hopes for a better future, and their fight for decent work and human dignity. Foxconn worker Yan Jun wrote this poem in memory of her brothers and sisters who had committed suicide:

*For My Departed Brothers and Sisters*⁹

I'm just like you

I was just like you:

⁸ Jenny Chan, 2011, “iSlave,” *New Internationalist*, Issue 441, 1 April. <http://newint.org/features/2011/04/01/islave-foxconn-suicides-workers/>

⁹ Yan Jun (her pen name)’s poem is entitled “*Zhi wo siqu de xiongdi jiemei*” (致我死去的兄弟姐妹). The poem was dated 27 May 2010, following the “12th jump” in five months since January at Foxconn’s facilities in Shenzhen, Guangdong.

A teenager leaving home
Eager to make my own way in the world

I was just like you:
My mind struggling in the rush of the assembly line
My body tied to the machine
Each day yearning to sleep
And yet desperately fighting for overtime

In the dormitory, I was just like you:
Everyone a stranger
Lining up, drawing water, brushing teeth
Rushing off to our different factories
Sometimes I think I'll go home
But if I go home, what then?

I was just like you:
Constantly yelled at
My self-respect trampled mercilessly
Does life mean turning my youth and sweat into raw material?
Leaving my dreams empty, to collapse with a bang?

I was just like you:
Work hard, follow instructions and keep quiet

I was just like you:
My eyes, lonely and exhausted
My heart, agitated and desperate

I was just like you:
Entrapped in rules
In pain that makes me wish for an end to this life

Here's the only difference:
In the end I escaped the factory
And you died young in an alien land
In your determined bright red blood
Once more I see the image of myself

Pressed and squeezed so tightly I cannot move.

—Yan Jun, a former female worker
(Translated by Greg Fay and Jeff Hermanson)

Foxconn workers and their peers in other workplaces have taken individual and/or collective means to resist unbearable social deprivations and workplace abuses. While some have seemingly become fatalistic, the others are transcending intra-class differences in unity.



Foxconn workers flood in and out of the Longhua factory in Shenzhen, Guangdong. Hon Hai Precision Industry Company, known by its trade name Foxconn, is headquartered in Taipei. Foxconn — *Fushikang*, in Chinese — literally means wealthy and healthy. Photo credit: University Research Group.

Chinese Workers in Global Capitalism

China has over one fifth of the world's population, and its workers account for nearly 30 percent of the world's total labor force.¹⁰ Among the Chinese workers, an all-time high of 269 million are rural migrant workers, up by 2.4 percent over the

¹⁰ Ching Kwan Lee, ed., 2007, *Working in China: Ethnographies of Labor and Workplace Transformation*, London: Routledge, p. 1.

previous year.¹¹ These internal migrants are primarily engaging in manufacturing, construction, and service industries, in which social and economic rights remain severely restricted. Many of these workers are employed by private domestic firms and transnational corporations, including Foxconn, the leading Taiwan-based investor and the world's largest electronics producer. Foxconn presents itself as an ideal employer for those who want to get on in life — particularly young people moving from the countryside to the city to find work. Today, with a global workforce of over 1.4 million, most of Foxconn's workers are in China.

A generation of rural migrants who were born in post-socialist China in the 1980s and 1990s has grown up. Decollectivization, which was accompanied by the provision of small plots of contracted land to family members¹² who were then free to engage in agricultural and non-agricultural productive activities and to leave the land, revealed the existence of a vast rural labor surplus that could fuel China's export-oriented industrialization. The 1982 population census, the first census carried out after the economic reforms, showed that 7 million peasant migrants had crossed county boundaries to nearby industrial towns to seek employment.¹³ As early as 1985, approximately 12 million township and village enterprises, successors to collective rural industries and brand new entities, were registered under the Ministry of Agriculture. Ten million of these were privately-run, hiring tens of millions of rural workers who left the land.¹⁴ In the city, millions of urban youths returning from the countryside after the Cultural Revolution,¹⁵ and the unemployed graduates waiting to be assigned to work units¹⁶ were encouraged to start businesses to support themselves and relieve pressure on the state sector to create jobs. Labor

¹¹ At the time of government survey, the number of Chinese rural migrant workers included those who had been employed outside their villages and towns for more than six months in the year and those who did non-agricultural work in their villages and towns for more than six months in the year. See National Bureau of Statistics of the People's Republic of China, 2014, "2013 Nian Quanguo Nongmingong Jiance Diaocha Baogao" (Monitoring and Investigation Report on the Chinese Rural Migrant Workers in 2013) 2013 年全國農民工監測調查報告.

http://www.stats.gov.cn/tjsj/zxfb/201405/t20140512_551585.html

¹² The state contracting of farmland, based on the rural household size, is distinctive to the contemporary Chinese political economy. In March 2003, the central government implemented the Rural Land Contracting Law, which upholds the "thirty-year no-change rule" to household contracted farmland, and allows land-use rights holders to rent out their contracted land.

¹³ Liang Zai and Ma Zhongdong, 2004, "China's Floating Population: New Evidence from the 2000 Census," *Population and Development Review* 30(3), p. 470.

¹⁴ Yasheng Huang, 2008, *Capitalism with Chinese Characteristics: Entrepreneurship and the State*, Cambridge: Cambridge University Press, pp. 73-81.

¹⁵ For an in-depth historical study about the "sent down" educated youth during the political campaigns, see Thomas P. Bernstein, 1977, *Up to the Mountains and Down to the Villages: The Transfer of Youth from Urban to Rural China*, New Haven: Yale University Press.

¹⁶ Emily Honig and Gail Hershatler, 1988, *Personal Voices: Chinese Women in the 1980's*, Stanford, California: Stanford University Press, pp. 244-50.

mobility from within rural and urban China, as well as movement from rural to urban areas, would explode in subsequent decades.

The large influx of foreign direct investment to China since the early 1990s,¹⁷ together with the availability of internal migrants and the restructuring of state enterprises, resulted in radical changes in the composition of the industrial working class.¹⁸ Rural migrant labor was quickly channeled to new industries and the cities through social networks and government paths.¹⁹ Poverty alleviation officials facilitated labor migration from inland villages to prosperous urbanizing areas on the eastern coast in accord with Deng Xiaoping's call to "let some get rich first." The goal of local governments was to obtain remittances and assure the development of marketable skills in young migrants. In the words of a Sichuan Communist Party secretary, "We consider migrant labor to be a kind of cooperation between eastern and western parts of the country."²⁰ As state-guided market reforms accelerated in the decade of the 1990s and thereafter, the intricate links between private and international capital and the state deepened.

Local states facilitated the growth of a labor market to promote economic development and accumulate wealth. From the early 2000s, rural migrant workers were no longer fined, repatriated to their place of household registration, detained in public security offices, or even beaten to death as sometimes happened in the recent

¹⁷ During the 1980s, foreign investment was still relatively very small in China's economy. Foreign direct investment projects in manufacturing industries were minuscule, labor-intensive, low-technology, and export-oriented. Most of them were cross-border investments from Hong Kong, Macau, and Taiwan. From the early 1990s, foreign investments from the United States, Japan, and other developed nations have heavily shaped China's labor, legal, and business reforms. See for example, Yasheng Huang, 2003, *Selling China: Foreign Direct Investment during the Reform Era*, Cambridge: Cambridge University Press; You-tien Hsing, 1998, *Making Capitalism in China: The Taiwan Connection*, New York: Oxford University Press; David Zweig, 2002, *Internationalizing China: Domestic Interests and Global Linkages*, Ithaca, NY: Cornell University Press; Mary Elizabeth Gallagher, 2005, *Contagious Capitalism: Globalization and the Politics of Labor in China*, New Jersey: Princeton University Press; Scott Wilson, 2009, *Remade in China: Foreign Investors and Institutional Change in China*, Oxford: Oxford University Press; Barry Naughton, 2007, *The Chinese Economy: Transitions and Growth*. Cambridge, MA: The MIT Press, ch. 17.

¹⁸ On reviewing the changing labor market in China, see Albert Park and Fang Cai, 2011, "The Informalization of the Chinese Labor Market," *From Iron Rice Bowl to Informalization: Markets, Workers, and the State in a Changing China*, edited by Sarosh Kuruvilla, Ching Kwan Lee and Mary E. Gallagher, Ithaca, NY: Cornell University Press, pp. 17-35; Eli Friedman and Ching Kwan Lee, 2010, "Remaking the World of Chinese Labour: A 30-Year Retrospective," *British Journal of Industrial Relations* 48(3), pp. 507-33.

¹⁹ Arianne M. Gaetano and Tamara Jacka, eds., 2004, *On the Move: Women in Rural-to-Urban Migration in Contemporary China*, New York: Columbia University Press; Loraine A. West and Zhao Yaohui, eds., 2000, *Rural Labour Flows in China*, Berkeley: Institute of East Asian Studies, University of California.

²⁰ Quoted in Dorothy J. Solinger, 1999, *Contesting Citizenship in Urban China: Peasant Migrants, the State, and the Logic of the Market*, Berkeley: University of California Press, p. 71.

past, when poor migrants were unable to present authorities valid legal papers.²¹ By December 2007, according to one estimate, only 40 percent of China's older labor force was still in agriculture.²² For this cohort of rural youth, the future lay in the cities.

The children of post-Mao China have grown up with new hopes and dreams. As of 2009, the majority (65 percent) of the 145 million migrant workers had completed nine years of formal education, and 13 percent had attained a high school diploma.²³ Young rural residents increasingly express a desire to broaden their horizons and experience a modern life and cosmopolitan consumption in megacities such as Shenzhen, Shanghai and Beijing, as well as other fast developing cities in inland provinces.²⁴ Indeed, while they retain the rural registration associated with their home village, some have grown up in and around cities and have little knowledge of or familiarity with agriculture or rural life. The city is not only their home, the only home they have known; it is also where everything appears to be happening. The countryside seems alien and far away.²⁵

Young rural migrants comprise the majority of the new Chinese industrial labor force, who are concentrated in private enterprises and international firms. In a 2007 survey conducted in Beijing and other major cities, 70 percent of the 4,637 rural migrant worker respondents working in manufacturing, services, and extractive and construction industries aspired to "receive technical training," the key step toward fulfilling their dream of rising within the system.²⁶ The contrast is clear with those

²¹ The abolition of the detention and repatriation system in 2003 came only after the torture to death of a male migrant college graduate, Sun Zhigang, by Guangzhou officials, which triggered a national protest against discrimination of rural migrants by local residents and officials alike.

²² Barry Naughton, 2010, "China's Distinctive System: Can It Be a Model for Others?," *Journal of Contemporary China* 19(65), p. 458.

²³ National Bureau of Statistics of the People's Republic of China, 2010, "2009 Nian Nongmingong Jiance Diaocha Baogao" (Monitoring and Investigation Report on the Rural Migrant Workers in 2009) 2009年農民工監測調查報告.

http://www.360doc.com/content/13/1016/14/7157405_321860376.shtml

²⁴ All-China Federation of Trade Unions, 2010, "Guanyu Xinshengdai Nongmingong Wenti de Yanjiu Baogao" (Research Report on the Problems of the New Generation of Rural Migrant Workers) 關於新生代農民工問題的研究報告.

<http://www.chinanews.com/gn/news/2010/06-21/2353233.shtml>; All-China Federation of Trade Unions, 2011, "2010 Nian Qianye Xinshengdai Nongmingong Zhuangkuang Diaocha ji Duice Jianyi" (Survey and Some Proposals Regarding the Conditions of the New Generation of Rural Migrant Workers at Enterprises in 2010) 2010年企業新生代農民工狀況調查及對策建議.

<http://acftu.people.com.cn/GB/67582/13966631.html>

²⁵ Pun Ngai and Lu Huilin, 2010, "Unfinished Proletarianization: Self, Anger and Class Action of the Second Generation of Peasant-Workers in Reform China," *Modern China* 36(5), pp. 493-519.

²⁶ China Youth and Children Studies Center, 2007, "Zhongguo Xinshengdai Nongmingong Fazhan Zhuangkuang ji Daiji Duibi Yanjiu Baogao" (New-Generation Chinese Rural Migrant Workers Development Conditions and Inter-Generational Comparative Research Report) 中國新生代農民工

who were born in the 1960s and who said that their primary concern was “making money.” Low-wage workers, while aspiring to make a better living than previous generations, face more acute economic and social problems in a society characterized by “polarization of class relations”²⁷ and commodification of basic social services, such as housing, education, and medical care.²⁸

In their own words, we can hear the aspirations for personal freedom and success of this new generation. As a young woman worker in Beijing commented, “If I had to live the life that my mother has lived, I would choose suicide.”²⁹ If many among the first generation of rural migrants drawn to the emergent labor market in 1980s and 1990s returned to their villages to marry, settle in, and raise children,³⁰ the times have changed. The second generation has its eyes firmly on the cities. And large, modern high-tech companies are manufacturing rosy dreams for the dreamers. Foxconn’s recruitment slogans read: “There’s no choosing your birth, but here you will reach your destiny. Here you need only dream, and you will soar!”³¹ “Your potential is only limited by your aspirations!”³² At the center of transnational production, Chinese workers face pressures compounded by fierce global competitions and a disciplinary regime at work. The cost of living in large cities and towns, far higher than ever before, is another major source of stress, anxiety, and frustration faced by migrant working people. Some have joined with trans-border labor campaign groups to pressure brands and supplier-factory boss to respond to their primarily economic demands. This nascent alliance of workers and non-governmental labor organizations in advancing grassroots labor activism can be seen as a response to limitations of state-sanctioned dispute-resolution institutions and mechanisms.

發展狀況及代際對比研究報告. No. 9 (June). <http://www.cycs.org/Article.asp?ID=7879>

²⁷ Pun Ngai, 2011, “Global Labor — A Chinese Perspective,” *Global Dialogue* (International Sociological Association) Vol. 1, Iss. 5. <http://isa-global-dialogue.net/category/volume-1/v1-i5/>

²⁸ Zhan Shaohua, 2011, “What Determines Migrant Workers’ Life Chances in Contemporary China? Hukou, Social Exclusion, and the Market,” *Modern China* 37(3), pp. 243-85; Deborah S. Davis and Wang Feng, eds., 2009, *Creating Wealth and Poverty in Postsocialist China*, Stanford, California: Stanford University Press.

²⁹ Quoted in Yan Hairong, 2008, *New Masters, New Servants: Migration, Development, and Women Workers in China*, Durham: Duke University Press, p. 25.

³⁰ “Wage work in the city,” comments Sally Sargeson, “became the means for self-actualisation [of women migrants] in family and village” during the 1990s. See Sally Sargeson, 1999, *Reworking China’s Proletariat*, Houndmills: Macmillan, p. 219; also, Ching Kwan Lee, 1998, *Gender and the South China Miracle: Two Worlds of Factory Women*, Berkeley: University of California Press; Pun Ngai, 2005, *Made in China: Women Factory Workers in a Global Workplace*, Durham: Duke University Press.

³¹ *Chusheng wufa xuanze, zai zheli, weilai you ni bawo. Zai zheli zhiyao you mengxiang, ni jiu neng feixiang* (出生無法選擇，在這裡，未來由你把握。在這裡只要有夢想，你就能飛翔！)。

³² *Xinxiong you duoda, wutai jiu you duoda* (心胸有多大，舞台就有多大)。

Investigating Foxconn: Research Questions

Foreign-invested firms dominate China's booming electronics and information and computer technology industry, accounting for 72 percent of the industry's total sales in 2010.³³ How do global capital and the Chinese state shape the class experience and capacity of a new generation of rural migrant workers? In what ways do workers make sense of the transnational production regime they inhabit and attempt to contest the forces that shape their working and social lives? How is the labor market being re-institutionalized in China through the actions of giant contract manufacturing firms such as Foxconn? What are the implications for state and firm governance when more than a score of Foxconn workers jump to their death and when in their wake a wave of protests, riots, and strikes occur across China?

In this dissertation I aim to document the lives and struggles of China's new working class through the lens of Foxconn and its relationship to Apple and the Chinese state. Beginning from the spring of 2010 I have been participating in a multi-university Foxconn Research Group to jointly carry out fieldwork in 12 major cities, including Shenzhen, Shanghai, Kunshan, Hangzhou, Nanjing, Tianjin, Langfang, Taiyuan, Wuhan, Zhengzhou, Chongqing, and Chengdu, where Foxconn runs giant manufacturing sites and research and development centers. My field trips included primarily those in Shenzhen and Chengdu between 2011 and 2012 (elaborate later in this chapter), supplemented with a four-day visit to the Foxconn Chongqing dormitory town in mid March 2011. This research about Foxconn's labor practices and production system in China — a collective as much as an individual endeavor — began from 2010 through the present.³⁴

³³ World Trade Organization, 2012, "Trade Policy Review: Report by the Secretariat, China," p. 119. <http://www.hse.ru/data/2012/07/06/1255031799/China%20-%20s264.pdf>

³⁴ See, for example, Jenny Chan and Mark Selden, forthcoming, "Class, Incomplete Proletarianization, and the New Generation of Chinese Workers," *Handbook on Class and Social Stratification in China*, edited by Yingjie Guo, Cheltenham, UK: Edward Elgar; Jenny Chan, Pun Ngai, and Mark Selden, forthcoming, "Trade Union and Labor Protest: Foxconn, the Chinese State, and Transnational Labor Activism," *The Companion to Labor and Media*, edited by Richard Maxwell, London: Routledge; Jenny Chan, Pun Ngai and Mark Selden, forthcoming, "Apple's iPad City: Subcontracting Exploitation to China," *Handbook of the International Political Economy of Production*, edited by Kees van der Pijl, Cheltenham, UK: Edward Elgar, ch. 5; Jenny Chan, Pun Ngai and Mark Selden, 2013, "The Politics of Global Production: Apple, Foxconn, and China's New Working Class," *New Technology, Work and Employment* 28(2), pp. 100-15; and, *The Asia-Pacific Journal*, Vol. 11, Issue 32, No. 2, August 12. <http://www.japanfocus.org/-Jenny-Chan/3981>; Pun Ngai and Jenny Chan, 2013, "The Spatial Politics of Labor in China: Life, Labor, and a New Generation of Migrant Workers," *The South Atlantic Quarterly* 112(1), pp. 179-90; Pun Ngai and Jenny Chan, 2012, "Global Capital, the State, and Chinese Workers: The Foxconn Experience," *Modern China* 38(4), pp. 383-410; Li Changjiang and Jenny Chan, 2012, "Fushikang zouchu xibu" (Foxconn: Going West) 〈富士康走出西部〉, *Wo zai Fushikang* (Working in Foxconn) 《我在富士康》, edited by Pun Ngai, Lu Huilin, Guo Yuhua and Shen Yuan, Beijing: Intellectual Property Rights Press.

Foxconn's meteoric rise to become the world's largest electronics manufacturer in a span of four decades (from 1974 to the present) has been hailed as a model of East Asian manufacturing prowess illustrative of China's dynamic export-oriented industry.³⁵ By 2009, Foxconn had already gained a 44 percent share of the world market in electronics manufacturing.³⁶ Currently, the company provides assembly and engineering services to global brands, and it makes over 50 percent of the world's electronic products. Its largest buyer by far is Apple, but its clients are a Who's Who of global electronics producers including IBM, Microsoft, Google, Intel, GE, HP, Dell, Cisco, Amazon, Sony, Panasonic, Toshiba, Fujitsu, Nintendo, Samsung, LG, Acer, Huawei, and Lenovo. The Taiwanese-owned industrial behemoth places its name on none of the millions of products it produces annually for brands, operating in anonymity.

My argument is that the tragedy of China's workers is not Foxconn's sole responsibility, although, as the world's largest electronic manufacturer, it is an enormous player. The source of the problems experienced by Chinese workers extends far beyond the factory floor to the profit squeeze that Foxconn and other manufacturers have to face from the world's leading giants.³⁷ Because Apple is one of the world's most profitable electronic companies, Foxconn the largest employer of industrial workers, Apple its largest client, and China one of the largest producers and exporters of advanced electronic goods, this research concentrates on the seminal Apple-Foxconn relationship in order to chart its consequences for labor. I assess the direct impact of Apple's outsourcing practices on workers' lives in its supply chain. I also examine the role of the Chinese state and the state-controlled unions in the All-China Federation of Trade Unions in structuring labor conditions, and how they in some situations discharge their responsibility to protect worker citizens. In all, I aim to explain how the integration of the electronics manufacturing industry in global capitalist production has intensified labor conflicts and class antagonism, and seek an alternative to the despotic labor regime.

Apple and other transnational corporations have responded to chronic labor problems

³⁵ Chen Run, 2010, *Fushikang Neimu* (Foxconn Insider)《富士康内幕》, Changsha: Hunan Literature and Art Publishing House; Zhang Dianwen, 2005, *Hu yu Hu* (Tiger and Fox)《虎與狐》, Taipei: Tianxia Wenhua.

³⁶ Thomas Dinges, 27 July 2010, "Foxconn Rides Partnership with Apple to Take 50 Percent of EMS [Electronics Manufacturing Services] Market in 2011," iSuppli. <http://www.isuppli.com/Manufacturing-and-Pricing/News/Pages/Foxconn-Rides-Partnership-with-Apple-to-Take-50-Percent-of-EMS-Market-in-2011.aspx>

³⁷ Jenny Chan, 2010, "Foxconn: The Global Predator," *Global Dialogue* (International Sociological Association) Vol. 1, Issue 2. <http://isa-global-dialogue.net/foxconn-the-global-predator/>

in supplier factories by reiterating their commitment to good governance in an attempt to distance themselves from responsibility and burnish their reputation internationally. This is in part a response to the growing anti-sweatshop movement in the electronics industry from within the United States, Europe, and more recently Greater China.³⁸ Many image-conscious technology companies, probably none more than Apple in our digital age, have professed noble ideals of corporate citizenship, environmental, labor and social responsibility in their supplier codes of conduct. Violations of factory workers' fundamental rights in export-oriented industries nevertheless remain intractable, prompting scholars and practitioners of corporate responsibility to promote the leverage of private and public power to create "just supply chains."³⁹ The main effort of public-private partnerships is to call on a shared commitment of national governments, transnational corporations, and non-governmental labor organizations to better protect workers.

Frederick Mayer and Gary Gereffi suggest that the consolidation of capital in China potentially strengthens state regulation or "public governance" of transnational firms.⁴⁰ Similarly, Richard Locke understands the Chinese government to be incentivized to "play a positive role in promoting collaborative buyer-supplier relations" in its pursuit of sustainability and global competitiveness.⁴¹ I challenge this assessment, which tends to downplay capitalist contradictions and power relationships in transnational production on the one hand, and the strong collaboration between capital and the state in wealth accumulation on the other hand. Chinese workers, as discussed in the empirical chapters (from chapters 3 to 10), unveil the harsh reality behind the mainstream discourse of "corporate ethics" and "social harmony."⁴²

Research Methodology

My project is about the conditions of labor in China as seen through the words and actions of employees, including particularly rural migrant workers and student interns, who are most central to the hidden abode of production. This sociological

³⁸ Ralph A. Litzinger, 2013, "The Labor Question in China: Apple and Beyond," *The South Atlantic Quarterly* 112(1), pp. 172-78.

³⁹ See for example, John Ruggie, 2013, *Just Business: Multinational Corporations and Human Rights*, New York, NY: W. W. Norton & Company; *Boston Review*, 21 May 2013, "Forum: Can Global Brands Create Just Supply Chains?"

<http://www.bostonreview.net/forum/can-global-brands-create-just-supply-chains-richard-locke>

⁴⁰ Frederick Mayer and Gary Gereffi, 2010, "Regulation and Economic Globalization: Prospects and Limits of Private Governance," *Business and Politics* 12(3), pp. 15-17.

⁴¹ Richard M. Locke, 2013, *The Promise and Limits of Private Power: Promoting Labor Standards in a Global Economy*, Cambridge: Cambridge University Press, p. 19.

⁴² *Hexie shehui* (和諧社會).

intervention is political because the company I have chosen as my research site, Foxconn, makes things for famous names, through supply chains where responsibility is uncertain, where passing the problem to others is part of a game, where the reality of working conditions is contested, and a shared or common evidence base is never accepted. Therefore the researcher must enter this world with personal integrity, and not expect the gathered data to be received without political scrutiny and challenge, because in this environment, knowledge is very much power, and can have causal effects on the lives of workers.

“To a large degree,” leading technology brands “use many of the same suppliers, as opposed to other industries where one company may have a clear set of proprietary suppliers.”⁴³ I have chosen to look at one large final-assembly supplier that is Foxconn, and not the myriad of suppliers that feed components to this firm. This in-depth case study is significant, because Apple’s competitors, as we will see in the following chapters, are heavily involved with Foxconn, and many of the arguments made in this dissertation about the relationship between Foxconn and Apple could equally be applied to them. In the language of statistical representation, my findings on transnational corporate power can be generalized to a broad understanding of the buyer-supplier dynamics in outsourced electronics production.

My research orientation is critical engagement with a contentious subject: the conditions of workers in contract manufacturing in China. Within this terrain, large firms rule, but are unequally positioned within the supply chain. In thinking about “what is a case?,”⁴⁴ I frame Foxconn as a representative or archetypical case of a *global labor regime* in the contemporary Chinese political economy. The mystery that my investigation seeks to explore is not only the “inside story” of Foxconn; it is also the nature of the relationship between Foxconn and its brand-name buyers, as well as that between Foxconn and the Chinese state. These are the relationships that shape conditions on the factory floor and ultimately workers’ lives. A study of the most powerful electronics contractor enables me to draw out the deep contradictions among labor, capital, and the Chinese state in global production.

Discussing the ethnographer or the ethnographic self in social inquiry, Michael Burawoy notes that “everyone carries and uses social theory, cognitive maps of the

⁴³ Electronic Industry Citizenship Coalition, 2009, “2008 Annual Report — Collaborating to Promote Social and Environmental Responsibility in the Global Electronics Supply Chain,” p. 3. <http://www.eicc.info/documents/2008AnnualReport.pdf>

⁴⁴ John Walton, 1992, “Making the Theoretical Case,” *What is a Case? Exploring the Foundations of Social Inquiry*, edited by Charles C. Ragin and Howard S. Becker, Cambridge: Cambridge University Press, pp. 121-37.

world we inhabit.”⁴⁵ When I went into the field, my own identities — as a young female university student researcher and Hong Kong labor rights campaigner — would have an impact on my interpretation of the social reality and my sampling of interviewees (out of a potential universe of 1.4 million Foxconn employees!). Moreover, in field encounters, as Steven McKay reflects on his experience, interviewees would try to make sense of my research by placing me “politically, socially, and culturally during our interactions.”⁴⁶ In the wake of the public relations disaster of suicides in 2010, Foxconn managers and to a certain extent line leaders were highly alert to “researchers,” particularly critical sociologists, journalists, and labor advocates, who had been calling for an end to “stealth manufacturing” and more specifically, for Foxconn to “create humane labor standards.”⁴⁷ As an activist affiliated with Students and Scholars Against Corporate Misbehavior (SACOM),⁴⁸ I was unable to gain access to Foxconn factories to conduct participant observation. I therefore needed to approach my interviewees on my own, without gaining the cooperation of senior management for field access.

Under the tight security apparatus put in place by both Foxconn and local states (including some trade union officials at the township, county, and municipal levels), where even employees’ wages are considered “confidential data,”⁴⁹ the company’s business deals with global customers, costs and profits, or enterprise trade unions’ role with regard to worker protections are closely guarded secrets. It has been quite a delicate process for me to establish friendship and trust with workers and student interns, and to attempt to co-create changes at the grassroots level through these four years. Several worker victims’ families shared with me (primarily in my activist identity) their letters,⁵⁰ and through a concerted effort of concerned scholars and labor organizers, in 2014, new rounds of dialogues with Foxconn and Apple

⁴⁵ Michael Burawoy, 2009, *The Extended Case Method: Four Countries, Four Decades, Four Great Transformations, and One Theoretical Tradition*, Berkeley: University of California Press, p. xiii.

⁴⁶ Steven C. McKay, 2006, *Satanic Mills or Silicon Islands? The Politics of High-Tech Production in the Philippines*, Ithaca, NY: Cornell University Press, p. 24.

⁴⁷ International Scholars, 8 June 2010, “Create Humane Labor Standards at Foxconn and End ‘Stealth Manufacturing’ in Information Technology!”, Students and Scholars Against Corporate Misbehavior (SACOM), <http://sacom.hk/archives/649>; Taiwanese Scholars, 13 June 2010, “The Foxconn Employees and to Call to the Attention.” <https://sites.google.com/site/laborgogo2010eng/>

⁴⁸ From January 2010, I have been serving as an advisor to SACOM Executive Committee and striving to engage wider audiences beyond the ivory tower. See also, Jenny Chan, 2012, “Biting the Rotten Apple: Taking on Foxconn,” *Red Pepper*, August.

<http://www.redpepper.org.uk/biting-the-rotten-apple/>; Jenny Chan, 2013, “Who Speaks for China’s Workers?”, *Labor Notes*, May.

<http://www.labornotes.org/blogs/2013/05/who-speaks-china%E2%80%99s-workers>

⁴⁹ On page 5, section 4.4 of Foxconn Employee Handbook (September 2010), it is about the company rule on “confidentiality over wages/salaries” (*xinzi baomi*) 薪資保密.

⁵⁰ The workers’ and worker families’ letters, written in simplified Chinese and undersigned with fingerprints in red (a way to certify the letters’ authenticity), are on my file.

company leaders have now been made possible.

Whose side are we on? “Sociologists tend to be leftists,” Matt Vidal argues, because we seek to grasp “the socially constructed nature of categories like race and nationality, the social and political nature of economies, and the structural power dynamics that reproduce inequalities within and across organizations, labor markets, national economies and the global economy.”⁵¹ My partisanship, or my taking sides with the working-class people, has evolved in my intellectual endeavor and engaged social actions.⁵² Feminist social scientists write about non-elite women whose lives might remain otherwise undocumented.⁵³ The writing of the lives of ordinary Chinese working women and men is mediated by our own social theories and visions of a (better) future.⁵⁴ In getting along with workers and student interns, I found that I have inevitably come close to intense human suffering. Most of the time the younger workers in their early to mid 20s raised a topic about “learning a skill” or “doing a part-time course,” and then sank into a long silence. At other times they talked about love and romance but dared not commit to marriage and make a home in the city where they worked. Insurmountable structural obstacles and class polarizations are at times holding back the aspirational young cohort.

Is there a value-free sociology? Is not our sociological intervention driven by shared moral commitment?⁵⁵ In this dissertation I have tried to represent the views of my informants across a range of subjects as truthfully as I can, recognizing that these individual laborers, while facing common problems, often have somewhat different ways of approaching these issues. They are not passive beings or completely powerless; they are active agents in accommodating or resisting the challenges they confront. Many of them, nevertheless, have been pushed into resistance and opposition by the harsh conditions they face as a new class of workers in China. In

⁵¹ Matt Vidal, 7 March 2014, “Politics of Social Science,” Work in Progress (Blog of the American Sociological Association’s Organizations, Occupations, and Work Section).

<http://workinprogress.oowsection.org/2014/03/07/politics-of-social-science/>

⁵² The sociological literature on methodological debates around “positionality,” “objectivity,” and “knowledge production” are voluminous. See for example, Alvin W. Gouldner, 1973, *For Sociology: Renewal and Critique in Sociology Today*, Harmondsworth, UK: Penguin; Karen Lumsden, 2013, “You Are What You Research”: Researcher Partisanship and the Sociology of the Underdog.” *Qualitative Research* 13(1), pp. 3-18; Ralph Darlington and John Dobson, 2013, “Objective but Not Detached: Partisanship in Industrial Relations Research,” *Capital & Class* 37(2), pp. 285-97.

⁵³ Emily Honig, 1997, “Getting to the Source — Striking Lives: Oral History and the Politics of Memory,” *Journal of Women’s History* 9(1), pp. 139-57.

⁵⁴ For example, Jaesok Kim closes his book on Chinese women garment workers in a Korean-owned multinational by reflecting on the “bleak future” of labor in an age of capital flight and insecurity. See his *Chinese Labor in a Korean Factory: Class, Ethnicity, and Productivity on the Shop Floor in Globalizing China* (2013), Stanford, California: Stanford University Press.

⁵⁵ Michael Burawoy, 2014, “Sociology as a Vocation: Moral Commitment and Scientific Imagination,” *Current Sociology* 62(2), pp. 279-84.

addition to migrant workers and student interns, I come to learn that managerial staff, teachers (who were in charge of the student internship programs), and local government officials have invariably been drawn into a fiercely competitive high-tech industry in national development, and co-produce the dialectics of corporate domination and labor resistance within global capitalism. This writing, in piercing through the image of global corporate citizenship and a harmonious Chinese society, is a small part of the evolving trans-border movement to amplify workers' voices.

Research Data Collection

By using qualitative research tools, such as semi-structured interviews and observations over an extended period of time, I aim to make sense of workers' fears, desires, and rationales behind their individual and collective actions. During my fieldwork between 2011 and 2012, I lived in two working-class communities for six months and paid regular visits to workers and their families in private living rooms, factory dormitory open spaces, hospitals (where I met with injured workers), and other public places. Labor rights advocates and university researchers from Hong Kong and mainland China first introduced me to a number of interviewees. I then invited more workers, managers, student interns, and teachers (who were dispatched to the factories) to participate in additional interviews. Of the more than 30 Foxconn manufacturing complexes across the Chinese mainland, I chose two main field sites: Foxconn Shenzhen in Guangdong and Foxconn Chengdu in Sichuan.

	Foxconn Shenzhen, Guangdong Province	Foxconn Chengdu, Sichuan Province
Founding year	1988	2010
Factory locations	1. Foxconn Longhua 2. Foxconn Guanlan Both are in Bao'an District	1. "Northern plant" 2. "Southern plant" Both are in Pi County
Number of employees	Over 500,000 persons as of 2010; now more than 400,000 persons	Nearly 200,000 persons
Corporate buyers	Apple, Dell, HP, Amazon, and many others	Apple only
Products	iPads, iPhones, iPods, Kindles, printers, game-consoles, etc.	iPads only

Source: Author's research data.

My selection of two Foxconn mega factories — rather than just one in a single locality — is useful to address labor issues of capital relocation from the coastal to lower-cost inland areas. From the Pearl River Delta industrial region of Guangdong to the new production centers in interior provinces, workers' grievances have arisen from wage and benefit cuts as a result of (forced) transfer to inland factories, compulsory excessive overtime, speed-ups, dangerous working conditions, harassment and humiliation by management and security officers, arbitrary termination of contracts, and nonpayment of wages, work injury compensation and severance pay, as fully documented in this field research. Between mid 2010 and early 2014, I conducted 115 interviews in Guangdong and Sichuan provinces, and followed up with phone and email conversations with some of the closest interviewees upon returning to the university in the United Kingdom. They included 43 Foxconn workers, 38 Foxconn student interns, 14 vocational school teachers in charge of internship programs, 14 Foxconn managers (in human resources, production, and product engineering), and 6 local government officials (in labor policy, social security, employment service, and economic development) (for the list of interviewees and supplementary details on data collection, see *Appendix 2*).

I had interviews outside of Foxconn factory complexes where employees were not subject to company surveillance. My production worker and student intern interviewees worked in assembly, quality testing (functionality and audio/visual appearance), packaging, laser soldering, component cleaning, metal processing, polishing, label sticking, glass screen inspection, and logo scanning. In restaurants, internet cafés, shopping centers, street-side stalls, basketball courts, parks, roller skating rinks, discos, and non-government workers' centers, I recorded interviews and co-produced videos⁵⁶ with the consent of the workers. In addition, I collected photos and original documents from interviewees (including wage statements, employment contracts, employee handbooks, and dormitory regulations). Primary evidence is supplemented by company annual reports, scholarly studies, government statistical yearbooks, reports from labor rights' groups, and journalistic accounts.

In China, while the government has attempted to channel disputes into juridical and bureaucratic institutions of dispute resolution, many more aggrieved workers have organized direct actions to safeguard their rights and interests. To track legal cases, I attended Foxconn employee hearings at the district-level labor dispute arbitration committee and city intermediate court in Shenzhen during 2011 and 2012. As audio

⁵⁶ One of these short documentaries was uploaded to YouTube, see SACOM (Students and Scholars Against Corporate Misbehavior), June 2011, "The Truth of the Apple iPad" (6m 30s). <http://www.youtube.com/watch?v=V3YFGixp9Jw>

and visual recording was not allowed, I wrote fieldnotes immediately following the trials. Moreover, between 2013 and the first quarter of 2014, I conducted follow-up interviews with worker activists involved in riots, strikes and/or protests at Foxconn factories based in Shenzhen, Chengdu (provincial capital of Sichuan), Zhengzhou (provincial capital of Henan), Wuhan (provincial capital of Hubei), and Taiyuan (a fast-growing city in Shanxi). I paid attention to the causes of labor discontents and the settlements and outcomes of the collective actions.

In addition to the key informants from the enterprise and vocational schools, I interviewed six local government officials at Longhua town (Shenzhen) and Hongguang and Pitong towns (both are in Chengdu) to better understand the collaboration between business and local states. The officials shared with me policies about employment and social services, economic development, labor recruitment, and above all school-business joint educational programs.⁵⁷ Indeed, the provincial and lower-level governments actively intervened in the labor market to facilitate corporate expansion. At government buildings, administrators assisted walk-in job applicants to prepare interviews at Foxconn and other private enterprises. Some administrators also set up recruitment counters outside the Chengdu railway station to help Foxconn's hiring. Others issued directives to schools to fulfill internship requirements at companies under their jurisdiction. Through a snowball sampling, I had opportunities to talk to student interns, teachers, and managers who implemented the internship plan at Foxconn factories.

Finally, on 16 December 2013, in my dual role as an independent researcher and a nonprofit labor organization advisor,⁵⁸ I wrote to the chief executives of Foxconn (Terry Gou) and Apple (Tim Cook) to express concerns about working hours, wages and benefits, student interns, worker safety, and union organization at the supplier-factory level.⁵⁹ On 31 December 2013, I received a reply from a Foxconn representative, Dr. Martin Hsing, Executive Director of Global Social and Environmental Responsibility Committee.⁶⁰ On 18 February 2014, I also heard from Ms. Jacky Haynes, Senior Director of Apple's Supplier Responsibility Program,⁶¹ together with the enclosed 40-page *2014 Progress Report*. In the following chapters I present the company statements as appropriate.

⁵⁷ *Xiaoqi hezuo* (校企合作).

⁵⁸ That is, my advisory role with Hong Kong-based SACOM (Students and Scholars Against Corporate Misbehavior).

⁵⁹ Professors Pun Ngai and Mark Selden are co-researchers, whose deep engagement in Foxconn labor research has had a lasting impact on my academic studies and outreach to the two companies.

⁶⁰ The 7-page Foxconn statement (31 December 2013), in English, is on file.

⁶¹ The 1,500-word Apple response in email correspondence (18 February 2014) is on file.

Overview of Chapters

This dissertation analyzes the structural conditions and working-class agency of the young cohorts of Chinese workers. By looking into the high-tech electronics manufacturing industry, I assess the changing socioeconomic circumstances favorable to worker self-organization, as China has become deeply integrated in global production as the world's leading industrial producer and exporter, and as a crucial site for foreign investment and capital accumulation. Chapter 2 reviews the social science literature to explain the dynamic relationships among class consciousness, interests, and collective actions. Notwithstanding oppressive structures of the state, global capital, and the market, scholars have witnessed frequent occurrences of labor actions in China since the early 1990s. Previous studies show that workers acquire their consciousness in everyday practices as well as explosive moments of struggles. As the “big buyers” and “big suppliers” are becoming highly inter-dependent, a source of Chinese workers' power emerges: at the key node of global production, a critical mass of workers acting together is capable of disrupting the continuous work flow, and hence increasing their bargaining power.

Chapters 3 and 4 provide a historical account about the rise of Foxconn and Apple in corporate-led globalization since the 1970s. This concrete developmental process is deeply integrated into China's opening and liberalization of its national economy. I draw on extensive archival research, as well as first-hand interviews with local government officials, managers, and workers to situate Chinese workers in a fast changing society. Politics and work have long been intertwined, but now this occurs in a geopolitical context of internationalization. The Chinese state has implemented a series of industrial and labor market reforms to enhance its power through foreign engagement. It has also fragmented the interests, identities, and mobilization efforts of the working class. In the “electronic workshop of the world,” production workers of Foxconn are subject to multilayered power in a buyer-driven global supply chain.

Chapters 5 and 6 look into the working conditions of two groups of Foxconn workers: rural migrants and student interns. Based on my field data, I characterize the corporate culture as militaristic and labor relations as hierarchal. Productivity, cost effectiveness, and market competitiveness are prioritized, while violations of labor laws are numerous. How do the workers attempt to express their needs in terms of wages and benefits, occupational safety and health, and dormitory facilities? In

what ways do the interns, or “student workers,” understand their internships on the line? Government education departments demand that vocational schools send students to labor-wanting Foxconn factories. Schools become the labor contractors. The abuse of intern labor and migrant workers is a result of collusion among the local state, company, and global buyers in capitalist accumulation.

Production and consumption are interconnected spheres. Chapter 7 discusses workers’ social and family lives as well as their living conditions in the city. Factory dormitories as physical and socio-cultural spaces are potential resources in labor mobilization, though they are also tools for managerial control. They are a frequently negotiated site of contestation between labor and capital, and a place emergent from the withdrawal of the local government from worker housing provision. Outside of employer-provided dormitories designed primarily for individual workers, migrant families who bring children with them to the city face a heavy financial burden securing housing. Decent work and upward social mobility remains a distant “Chinese Dream” for many.

Chapters 8 and 9 document lawsuits and extra-legal activism waged by aggrieved workers to defend their dignity and rights. While class consciousness is situational and transient in nature, at times of crisis the awakening of consciousness is heightened, and this can be observed in workers’ slogans, poems, and open letters. Despite severe limitations, Foxconn workers employ a wide array of organizing strategies and tactics of resistance, including taking their boss to court, going on strike, rioting, threatening mass suicides, organizing a slowdown on the assembly line, and staging protests at the factories and in the dormitories. These instances of individualistic and/or collective conduct serve to protect one’s class interest as well as moral status (such as the right to human respect and negotiation on an equal footing). Local government officials react quickly to break the workers’ front in high-profile incidents. Workers face a formidable alliance of capital, including international capital, and the Chinese state, but also demonstrate their strong capacities for class actions.

My conclusion (chapter 10) highlights the contributions of this labor study and the social transformation at the grassroots level in global capitalism. Some workers have accumulated organizing skills and public communications techniques in successive struggles. Meanwhile, the geography of production is changing. As capital moves rapidly to central and western regions, workers are now living closer to their native place, and they can draw on local family and social networks to make their demands.

I anticipate that in the long run working-class power can emerge as a new force in factories, in their households, and in the local communities. As the primary labor force in China's economic development, young workers aspire to develop technical skills, earn living wages, enjoy comprehensive welfare, marry, educate their children in good schools, and hold the full range of citizen rights in the cities they inhabit. Against all odds, Chinese workers are joining hands with civil society organizations to call for social and economic equality. In the contentious authoritarian system, notwithstanding the resilience of the state in the face of sustained popular unrest over the last two decades, I point out the unstable, volatile nature of precarious labor in its hundreds of millions.

Chapter 2

The Labor Politics of Global Production

Labor politics begins with the laborers themselves: their geographical origins, gender, popular culture, educational attainments, work experiences, and the like. These are the features of a worker's milieu that structure lasting traditions of collective action.

—Elizabeth Perry⁶²

This research, following Elizabeth Perry's analytical approach, begins with workers' defense of their own interests and their collective actions. Before the founding of the Chinese Communist Party in 1921 or the involvement of Marxist intellectuals and students in labor organizing at the turn of the 20th century, workers and other socially subordinate groups (such as peasants) had long created their own traditions and protest repertoires to safeguard their collective interests.⁶³ This chapter draws on historical and sociological literature to analyze workers' subjectivities and persistent efforts in changing their socio-political and economic conditions.

As China emerged as the "workshop of the world" with a shift of manufacturing from the developed countries of North America, Europe and East Asia to China and other developing countries, China has arguably become the "epicenter of world labor unrest" in the wake of global outsourcing and transnational manufacturing.⁶⁴ In response to growing numbers of labor protests since the early 1990s, the state, central and local, has attempted to fragment workers' identities, class interests, and mobilization efforts, and achieved some degree of success.⁶⁵ Workers' associational power remains weak, as official trade unions are politically restrained from leading strikes and protests. Tim Pringle however reminds us: "The absence of independent trade unions does not automatically preclude working class influence on most

⁶² Elizabeth J. Perry, 1993, *Shanghai on Strike: The Politics of Chinese Labor*, Stanford, California: Stanford University Press, pp. 4-5.

⁶³ Ho-fung Hung, 2011, *Protest with Chinese Characteristics: Demonstrations, Riots, and Petitions in the Mid-Qing Dynasty*, New York: Columbia University Press.

⁶⁴ For discussions on labor politics in the Chinese automobile industry, see Beverly J. Silver and Lu Zhang, 2009, "China as an Emerging Epicenter of World Labour Unrest," *China and the Transformation of Global Capitalism*, edited by Ho-fung Hung, Baltimore: The Johns Hopkins University Press, pp. 174-87.

⁶⁵ Ching Kwan Lee, 2010, "Pathways of Labor Activism," *Chinese Society: Change, Conflict and Resistance*, edited by Elizabeth J. Perry and Mark Selden, London: Routledge, pp. 57-79; Ching Kwan Lee and Yonghong Zhang, 2013, "The Power of Instability: Unraveling the Microfoundations of Bargained Authoritarianism in China," *American Journal of Sociology* 118(6), pp. 1475-508; Ching Kwan Lee, 2014, "State and Social Protest," *Daedalus: The Journal of the American Academy of Arts and Sciences* 143(2), pp. 124-34.

aspects of the government's labor relations policies, including wages.”⁶⁶ Workers with higher awareness sometimes come together and find other ways to fight for their rights and interests. The struggle and progression of Chinese workers to be “a class for itself” is a long process. Different from the formation of a working class in Europe or other countries, China's peasant laborers are entitled to agricultural land-use rights at birth; hence the means of production is not severed or expropriated, thanks to the socialist legacy since the late 1950s.⁶⁷ In Marxist conception of labor process, Chinese migrant workers — rural residents who have left the farms to sell their labor for wages — are thrown in a semi-proletarianized situation.

Under the auspices of the Chinese state, capital (domestic and international) has been able to manipulate and exploit “the stark divide between urban and rural citizens”⁶⁸ to maximize profits in the post-Mao era. During the 1980s and 1990s, the first wave of rural migrant workers participated in booming industries, construction, and services, whose wages were very low and welfare benefits and job security were virtually non-existent.⁶⁹ As market transformation continues, the relations of production — class relations — have been generally becoming more coercive, regardless of the ownership of capital.⁷⁰ From workers' lived experiences to production technological advances, much has changed since the birth of a modern Chinese working-class movement more than a hundred years ago. And yet labor protest and political legitimacy remain inextricably linked.⁷¹ The durability of an authoritarian system in contemporary China is probably dependent on the party-state's control over rising capital-labor conflict and other social discontents.

⁶⁶ Tim Pringle, 2011, *Trade Unions in China: The Challenge of Labour Unrest*, Abingdon, Oxon: Routledge, p. 4.

⁶⁷ Tiejun Cheng and Mark Selden, 1994, “The Origins and Social Consequences of China's Hukou System,” *The China Quarterly* 139, pp. 644-68; Martin King Whyte, ed., 2010, *One Country, Two Societies: Rural-Urban Inequality in Contemporary China*, Cambridge: Harvard University Press.

⁶⁸ Mary E. Gallagher, 2014, “China's Workers Movement and the End of the Rapid-Growth Era,” *Daedalus: The Journal of the American Academy of Arts and Sciences* 143(2), p. 82.

⁶⁹ Ching Kwan Lee, 1998, *Gender and the South China Miracle: Two Worlds of Factory Women*, Berkeley: University of California Press; Pun Ngai, 2005, *Made in China: Women Factory Workers in a Global Workplace*, Durham: Duke University Press.

⁷⁰ Mary Elizabeth Gallagher, 2005, *Contagious Capitalism: Globalization and the Politics of Labor in China*, New Jersey: Princeton University Press; Joel Andreas, 2012, “Industrial Restructuring and Class Transformation in China,” *China's Peasants and Workers: Changing Class Identities*, edited by Beatriz Carrillo and David S. G. Goodman. Cheltenham, UK: Edward Elgar, pp. 102-23.

⁷¹ Elizabeth J. Perry, 2002, *Challenging the Mandate of Heaven: Social Protest and State Power in China*, Armonk, NY: M. E. Sharpe; Xi Chen, 2012, *Social Protest and Contentious Authoritarianism in China*, New York: Cambridge University Press; Yanqi Tong and Shaohua Lei, 2014, *Social Protest in Contemporary China, 2003-2010: Transitional Pains and Regime Legitimacy*, Abingdon, Oxon: Routledge.

Class Consciousness and Collective Actions

Capitalist industrialization has greatly transformed labor relations in the European countries since the late 18th century. Large factories amassed peasants turned workers in a specific mode of production, of which the primary goal is to maximize profits. Karl Marx distinguishes between “class in itself” and “class for itself” of nascent industrial workers:

Economic conditions first transformed the mass of the people of the country into workers. The combination of capital has created for this mass a common situation, common interests. The mass is thus already a class as against capital, but not yet for itself. In the struggle...the mass becomes united, and constitutes itself as a class for itself. The interests it defends become class interests. But the struggle of class against class is a political struggle.⁷²

At the end of the 19th century, foreign-owned factories began moving into coastal China. With the inflow of industrial capital, local businessmen and compradors gained more share in the emerging domestic and international markets. Port cities such as Shanghai, Tianjin, and Guangzhou were magnets of young adults, peasants and locals, to find new jobs.

In the 1920s, despite the small number of factory workers, miners, rickshaw pullers, seamen, dockers, railway workers, and postal workers — an estimated 4 million throughout urban China⁷³ — the militancy of labor in major economic sectors should not be underestimated. The maturity of the first-generation proletarians in early Chinese industrial capitalism was evident in their broad demand for humane treatment and social and economic rights. French historian Jean Chesneaux⁷⁴ highlighted the significant contributions of Chinese workers in the nationalist revolutions during the eight years of struggles between 1919⁷⁵ and 1927, when the

⁷² Karl Marx, [1847] 1995, *Poverty of Philosophy*, New York: Prometheus Books, pp. 188-89.

⁷³ Lynda Norene Shaffer, 1983, “The Chinese Working Class: Comments on Two Articles,” *Modern China* 9(4), p. 461.

⁷⁴ Jean Chesneaux’s monumental research findings in *The Chinese Labor Movement 1919-1927* was first published in French in 1962. The English translation by H. M. Wright appeared in 1968 (Stanford, California: Stanford University Press).

⁷⁵ Chow Tse-tsung’s *The May Fourth Movement: Intellectual Revolution in Modern China* (Cambridge, MA: Harvard University Press, 1960), now more than half a century, is still one of the most important studies of the 1919 May Fourth period. Chow defined the Movement from 1917 to 1921, while some scholars extended it from 1915 (when the *New Youth* magazine was published) to 1925 (when the May Thirtieth tragedy happened in Shanghai).

Nationalist Party brutally suppressed the nascent labor movement. The growth of popular (especially working class) support for the Communist revolutionaries, and the evolution of working-class organizations brought about the institutional development of the All-China Federation of Trade Unions (ACFTU) in 1925.⁷⁶

The strong capacity for independent collective actions of artisans, based on their associational life and shared identity, are well documented in Chinese and Western labor histories.⁷⁷ Unskilled workers, on their own or in cross-class alliance, have also displayed their strength for self-protection, particularly in large factories where workers' joint forces are potentially strong. Gail Hershatter shows that textile and cotton mill workers, iron and metal workers, and transport laborers in Tianjin, a modern industrial port city in the first half of the 20th century, were able to further their interests through "shifting alliances based on native place, kinship, patronage, and class."⁷⁸ But this kind of labor organization was not a simple or universal outcome of industrialization and urbanization, as if the growth of a homogeneous working class would naturally take place over time. Steve Smith underlined the intertwined character of the labor and nationalist movements in the distinctive historical context (from 1895 to 1927): "national and class identities tended to be mutually constitutive" because the Communist discursive and mobilization mechanisms functioned to "link the treatment of the Chinese nation at the hands of the foreign powers to the treatment of workers at the hands of capitalists."⁷⁹ Throughout the 20th century to the present, "class and national consciousness," in the concise analysis of Mark Selden, "have been generally complementary" in the formation of the Chinese working class.⁸⁰

In Shanghai prior to the mid 1940s, for example, Emily Honig found that "insofar as workers in [Japanese-owned] mills felt antagonistic toward their owners, it was to a

⁷⁶ David Strand, 1989, *Rickshaw Beijing: City People and Politics in the 1920s*, Berkeley: University of California Press; Daniel Y. K. Kwan, 1997, *Marxist Intellectuals and the Chinese Labor Movement: A Study of Deng Zhongxia (1894-1993)*, Seattle: University of Washington Press; Apo Leung, P. L. Leung, Ming K. Chan and Dorothy Y. Ko, eds., 1982, *Xianggang yu Zhongguo Gongyun Huigu* (Perspectives on the Hong Kong and Chinese Labor Movement) 《香港與中國工運回顧》, Hong Kong: Hong Kong Christian Industrial Committee; Chan Ming K. et al., eds., 1986, *Zhongguo yu Xianggang Gongyun Zongheng* (Dimensions of the Chinese and Hong Kong Labor Movement) 《中國與香港工運縱橫》, Hong Kong: Hong Kong Christian Industrial Committee.

⁷⁷ For a review, see Elizabeth J. Perry, 1993, *Shanghai on Strike: The Politics of Chinese Labor*, Stanford, California: Stanford University Press, ch. 2.

⁷⁸ Gail Hershatter, 1986, *The Workers of Tianjin, 1900-1949*, Stanford, California: Stanford University Press, p. 210.

⁷⁹ S. A. Smith, 2002, *Like Cattle and Horses: Nationalism and Labor in Shanghai, 1895-1927*, Durham: Duke University Press, p. 10.

⁸⁰ Mark Selden, 1995, "Labor Unrest in China, 1831-1990," *Review* (Fernand Braudel Center) 18(1), p. 70.

considerable extent as foreigners rather than as capitalists.”⁸¹ Some others did not exhibit anti-imperial sentiments. Importantly, women workers in large foreign-owned cotton mills, instead of small family shops or Chinese-run factories, were relatively contented with their pay and working conditions. To some, foreign bosses provided them with a relatively stronger sense of economic and social security compared to often more abusive labor contractors linked to local gangs. This close attention to workers’ subjective experience and world views⁸² is insightful: the formation of a collective identity as women and as workers, the consciousness of working-class interests, the participation in political and economic strikes, or the lack thereof, cannot be divorced from workers’ concrete situations in their workplace, the industry, and the larger society.⁸³

With the nationalization of industries during the 1950s through 1970s, the Chinese workers were liberated from capitalist exploitations. Under central planning, new workers, including peasant migrants settling in the city during the early years of the establishment of the People’s Republic, were provided with an “iron rice bowl” of permanent job tenure. The grades of wage rates were compressed to ensure a high level of income equality across urban work units.⁸⁴ In the countryside, wealth distinctions between individual households were also minimized as farming and rural industries were collectivized. While urban-rural structural inequality remained, partly due to uneven geographical endowments and partly because of government development policies that favored workers over peasants, scholars note that the level was relatively low when compared to other Third World countries during the same period.⁸⁵ After the death of Mao Zedong in 1976 and the restoration of political stability, the central leadership under Deng Xiaoping introduced a series of rural reforms and foreign trade policies. Inequality widens and class conflict deepens. The set up of Special Economic Zones in Shenzhen and Shekou in South China in 1980

⁸¹ Emily Honig, 1986, *Sisters and Strangers: Women in the Shanghai Cotton Mills, 1919-1949*, Stanford, California: Stanford University Press, p. 247.

⁸² Charles Sabel in *Work and Politics: The Division of Labor in Industry* (Cambridge: Cambridge University Press, 1982, p. 11) gives this definition: “The set of hopes and fears, together with the map of the social world that it establishes, is called a world view.”

⁸³ Elizabeth J. Perry, 2002, *Challenging the Mandate of Heaven: Social Protest and State Power in China*, Armonk, NY: M.E. Sharpe, ch. 5.

⁸⁴ Andrew G. Walder, 1986, *Communist Neo-Traditionalism: Work and Authority in Chinese Industry*, Berkeley: University of California Press; Stephen Andors, 1977, *China’s Industrial Revolution: Politics, Planning, and Management, 1949 to the Present*, NY: Pantheon Books; Charles Hoffman, 1974, *The Chinese Worker*, Albany, NY: State University of New York Press; Gail E. Henderson, and Myron S. Cohen, 1984, *The Chinese Hospital: A Socialist Work Unit*, New Haven: Yale University Press; Mark W. Frazier, 2002, *The Making of the Chinese Industrial Workplace: State, Revolution, and Labor Management*, Cambridge, UK: Cambridge University Press.

⁸⁵ See, for example, Mark Selden, 1993, *The Political Economy of Chinese Development*, Armonk, NY: M. E. Sharpe.

marked the re-opening of the domestic market to international capital after decades of self-reliant socialist practices. The world of work and labor has since drastically transformed.

Phyllis Andors reported a strike by 2,500 workers at Sanyo electronics factory in the summer of 1985 at the Shenzhen Special Economic Zone. She noted that the strike might be “partly explained by the tensions characteristic of the Chinese-Japanese relationship” and “indicative of labor unrest elsewhere in the zone.”⁸⁶ Whether the nationalistic or anti-Japanese motive was an underlying factor,⁸⁷ workers highlighted that “Sanyo pushed them too hard, demanding better quality and more efficiency.”⁸⁸ While larger and more frequent labor protests and strikes in China (waged by urban laid-off workers and rural migrants) had not received much scholarly attention until the late 1990s through early 2000s,⁸⁹ except the June 4th Tiananmen crackdown in 1989, a few researchers did document the prevalent exploitative labor policies in newly built private enterprises.⁹⁰

Class formation has occurred through the nurturance of class identity and collective mobilization among the Chinese migrant peasant-workers, in relative to the older socialist employees, who were shrinking in both numbers and political power in corporate restructuring, privatization, and bankruptcy.⁹¹ The passage of the 1994 Labor Law at the national level nominally extended equal rights to all laborers, regardless of one’s place of household registration or the ownership of employing units.⁹² The promotion of labor legality has raised workers’ expectation of their rights.⁹³ Concerning the politics of the second generation of migrant workers,

⁸⁶ Phyllis Andors, 1988, “Women and Work in Shenzhen,” *Bulletin of Concerned Asian Scholars* 20(3), p. 34.

⁸⁷ Managers as “running dogs” and “traitors” were also noted in other labor conflicts at Japanese-, Taiwanese- and Hong Kong-owned factories, past and present, thus the uneasy Sino-Japanese relationships may not be assumed in short-lived labor outbursts.

⁸⁸ Phyllis Andors, 1988, “Women and Work in Shenzhen,” p. 35.

⁸⁹ Murray Scot Tanner, 2004, “China Rethinks Unrest,” *The Washington Quarterly* 27(3), pp. 137-56.

⁹⁰ See, for example, Anita Chan, 2001, *China’s Workers under Assault: The Exploitation of Labor in a Globalizing Economy*, Armonk, NY: M. E. Sharpe.

⁹¹ Ching Kwan Lee, 2007, *Against the Law: Labor Protests in China’s Rustbelt and Sunbelt*, Berkeley: University of California Press; Ching Kwan Lee, 2007, “Is Labor a Political Force in China?” *Grassroots Political Reform in Contemporary China*, edited by Elizabeth J. Perry and Merle Goldman, Cambridge, MA: Harvard University Press, pp. 288-52.

⁹² From the perspective of state workers, however, the 1994 Chinese Labor Law institutionalized the end of lifetime tenure, with the replacement of limited-term individual labor contracts, in a more diversified economy. See, for example, Gordon White, 1989, “Restructuring the Working Class: Labor Reform in Post-Mao China,” *Marxism and the Chinese Experience*, edited by Arif Dirlik and Maurice Meisner, Armonk, New York: M. E. Sharpe, pp. 152-68; Martin King Whyte, 1999, “The Changing Role of Workers,” *The Paradox of China’s Post-Mao Reforms*, edited by Merle Goldman and Roderick MacFarquhar, Cambridge, Massachusetts: Harvard University Press, pp. 173-96.

⁹³ Ching Kwan Lee, 2007, *Against the Law: Labor Protests in China’s Rustbelt and Sunbelt*, Berkeley:

observers find that young laborers were skilful in combining legalistic and extra-legal means to advance their individual or collective demands, rather than tolerating injustice.⁹⁴

During the work process, managerial control is crucial to extract labor power and to procure profit (that is surplus value) in capitalist production. Structurally, the disciplining of workers to conditions of factory production entails “the social control of physical and mental powers on a very broad basis.”⁹⁵ The subjective or ideological dimension⁹⁶ of work, however, needs to be carefully examined. Michael Burawoy in his seminal work *The Politics of Production* succinctly explains:

The crucial issue is that the interests that organize the daily life of workers are not given irrevocably; they cannot be imputed; they are produced and reproduced in particular ways. To assume, without further specification, that the interests of capital and labor are opposed leads to serious misunderstandings of the nature of capitalist control, if only because it provides an excuse to ignore the ideological terrain on which interests are organized... We must investigate the conditions under which the interests of labor and capital actually become antagonistic.⁹⁷

The nature of class opposition, or worker acquiescence, is dynamic; it is not a thing that exists in a static form. Under the right circumstances, workers share a common identity on their interests “as between themselves” and “as against other men whose interests are different from (and usually opposed to) theirs.”⁹⁸ In other times, the unevenness or disjuncture of class experience between workers is observed.⁹⁹ In the

University of California Press.

⁹⁴ Chris King-Chi Chan, 2013, “Contesting Class Organization: Migrant Workers’ Strikes in China’s Pearl River Delta, 1978-2010,” *International Labor and Working-Class History* 83 (Spring), pp. 112-36; Chris King-Chi Chan and Pun Ngai, 2009, “The Making of a New Working Class: A Study of Collective Actions of Migrant Workers in South China,” *China Quarterly* 198, pp. 287-303; Wang Jianhua and Meng Quan, 2013, “*Xinshengdai Nongmingong de Jiti Kangzheng Moshi*” (Collective Resistance Models of a New Generation of Rural Migrant Workers) 新生代農民工的集體抗爭模式, *Open Times* 《開放時代》 No.1. <http://www.opentimes.cn/bencandy.php?fid=367&aid=1702>

⁹⁵ David Harvey, 1989, *The Condition of Postmodernity: An Enquiry into the Origins of Cultural Change*, Cambridge, MA: Blackwell, p. 123.

⁹⁶ Michael Burawoy specifies that “any work context” involves three inseparable dimensions: “an economic dimension (production of things), a political dimension (production of social relations), and an ideological dimension (production of an experience of those relations).” See his book *The Politics of Production: Factory Regimes under Capitalism and Socialism* (1985), London: Verso, p. 39.

⁹⁷ Michael Burawoy, 1985, *The Politics of Production: Factory Regimes under Capitalism and Socialism*, London: Verso, p. 28-29.

⁹⁸ E. P. Thompson, 1966, *The Making of the English Working Class*, New York: Vintage, p. 9.

⁹⁹ Keith McClelland, 1990, “Introduction,” *E. P. Thompson: Critical Perspectives*, edited by Harvey J. Kaye and Keith McClelland, Cambridge, England: Polity Press, p. 4.

Chinese society as in the West, workers — differentiated by age, gender, work experiences, skills, cultures, native-places, citizenship and so on — have come to realize or understand their class relations in numerous situations in their everyday life. In some cases, such a clear identification among the workers of their shared interests has inspired resistance and oppositional actions.¹⁰⁰ In some other cases, this merely results in an internalization of their subordinate role. The realization of class consciousness is thus fluid, contingent, and varied.¹⁰¹

Michael Mann highlights that working-class consciousness is a *developing* phenomenon, “a process not of being but of becoming.”¹⁰² It is possibly intensified in collective struggles but it is not confined to those very moments. While consciousness about workers’ collective interest may precede strikes or protests, it often strengthens during the actions themselves. Rick Fantasia emphasizes the interactions between workers in solidarity actions, in which workers’ ideas and behavior are transformed.¹⁰³ What is interesting is the social group in action. Survey teams who aggregate the scores based on individual respondents’ attitude, perception of labor relations, or degree of job satisfaction often fail to predict the eventual outbreak of industrial actions. As Gordon Marshall concisely summarizes:

An overemphasis on class imagery at the expense of class action can perhaps be attributed to the widely held belief among academic observers that it is somehow necessary for men and women to encompass society intellectually before they can attempt to change it. This premise is not confirmed by the history of class action on either a revolutionary or on a more modest scale...Consciousness is generated in and changed by social action.¹⁰⁴

¹⁰⁰ Fred Y. L. Chiu, 2003, *Colours of Money, Shades of Pride: Historicities and Moral Politics in Industrial Conflicts in Hong Kong*, Hong Kong: Hong Kong University Press; Hagen Koo, 2001, *Korean Workers: The Culture and Politics of Class Formation*, Ithaca, NY: Cornell University Press; Jennifer Jihye Chun, 2009, *Organizing at the Margins: The Symbolic Politics of Labor in South Korea and the United States*, Ithaca, New York: Cornell University Press; Christopher Candland and Rudra Sil, eds., 2001, *The Politics of Labor in a Global Age: Continuity and Change in Late-Industrializing and Post-Socialist Economies*, Oxford: Oxford University Press.

¹⁰¹ For example, women Malay workers’ consciousness of “mistreatment as *human beings* by particular foreman or the management was partial and discontinuous,” as Aihwa Ong ([1987] 2010) explains in *Spirits of Resistance and Capitalist Discipline: Factory Women in Malaysia* (Albany, NY: State University of New York, p. 196, italics original).

¹⁰² Michael Mann, 1973, *Consciousness and Action among the Western Working Class*, London: Macmillan, p. 43.

¹⁰³ Rick Fantasia, 1988, *Cultures of Solidarity: Consciousness, Action, and Contemporary American Workers*, Berkeley: University of California Press, ch. 1.

¹⁰⁴ Gordon Marshall, 1983, “Some Remarks on the Study of Working-Class Consciousness,” *Politics and Society* 12(3), p. 272.

I take a less bounded conceptualization of class consciousness which would enable us to learn more about workers' varied ways of expression, in both their discourse (a common saying about their work status or class position circulated among the working peers, protest slogans, or poems) and their organized actions. In rapidly transforming China, Pun Ngai concludes that "class consciousness is also constituted through everyday practices that may be performed anytime and anywhere and as such could hardly be reduced to moments of collective class struggle."¹⁰⁵ My ethnographic research will try to show that emergence and growth of working-class consciousness is embedded in and derived from the workers' milieu, which is not confined to one single moment of labor protest.

Social Class and the Chinese State

The transformation from state socialism to capitalism (with Chinese characteristics) has fundamentally shaped labor relations, the mode of production, and the structure of social reproduction of labor.¹⁰⁶ At the Third Plenum of the Eleventh Central Committee in December 1978, Deng Xiaoping and his allies promoted a developmental strategy centering on the Four Modernizations, namely, agriculture, industry, national defense, and science and technology. Soon, the four modernizations would be supplemented by privatization, liberalization, marketization, and globalization.¹⁰⁷ Chinese state elites, central and localities, join hands with global capital to present market forces as universal, natural, inevitable, and irresistible.¹⁰⁸ A modernizing project of "reform and opening" (*gaige kaifang*) affords many dreams and desires of all sorts, including for the hundreds of millions of rural migrant workers structured at the bottom rank in global factories oriented for export industrialization.

The Chinese party-state's hegemony is built upon its restoration of social order from the political radicalism in the aftermath of the Great Proletarian Cultural Revolution

¹⁰⁵ Pun Ngai, 2005, *Made in China: Women Factory Workers in a Global Workplace*, Durham: Duke University Press, p. 27.

¹⁰⁶ Ching Kwan Lee and Mark Selden, 2008, "Inequality and Its Enemies in Revolutionary and Reform China," *Economic and Political Weekly* 43(52), pp. 27-36; Pun Ngai, Chris King-Chi Chan and Jenny Chan, 2010, "The Role of the State, Labour Policy and Migrant Workers' Struggles in Globalized China," *Global Labour Journal* 1(1), pp. 132-51.
<http://digitalcommons.mcmaster.ca/globallabour/vol1/iss1/8/>

¹⁰⁷ Yan Hairong, 2008, *New Masters, New Servants: Migration, Development, and Women Workers in China*, Durham: Duke University Press, p. viii.

¹⁰⁸ Lisa Rofel, 1989, "Hegemony and Productivity: Workers in Post-Mao China," *Marxism and the Chinese Experience*, edited by Arif Dirlik and Maurice Meisner, Armonk, NY: M. E. Sharpe, pp. 235-52; Lisa Rofel, 1999, *Other Modernities: Gendered Yearnings in China after Socialism*, Berkeley: University of California Press; Lin Chun, 2006, *The Transformation of Chinese Socialism*, Durham: Duke University Press.

(1966-1976) and its unprecedented and sustained economic growth, even when the gaps between the rich and the poor are widened.¹⁰⁹ By contrast, during the old socialist days, socio-economic inequalities arising from private ownership of the means of production were eliminated from the mid 1950s through the mid 1970s. Nevertheless, new classes did emerge, in which workers and cadres were differentiated through unequal access to bureaucratic power, cultural capital, and job entitlements.¹¹⁰ In this section, we briefly review the politicization of class struggles during Mao's China, follows with their de-politicization in the mid to late 1970s through the present.

In large Chinese state firms, urban socialist workers had “property use rights” to gain access to a comprehensive range of facilities such as clinics and hospitals, cafeterias, nursery service, and technical schools.¹¹¹ Contract workers¹¹² and temps,¹¹³ composed of rural migrants, were however discriminated against and denied welfare benefits. In the latter half of the 1960s, underprivileged laborers and other marginalized social groups openly challenged the state regime, with initial support from Chairman Mao and his factions.¹¹⁴ Politics was in command. Public condemnation of “capitalist roaders” and “Party persons in authority” contaminated with bourgeoisie values and practices were intense, resulting in widespread disruptions to the economy and society.¹¹⁵ In the wake of military suppression, the de-politicization of class from the top marked the beginning of a new epoch in the latter half of the 1970s.

Under intense competition in the post-Mao era, many small and medium state firms went bankrupt, were privatized, or restructured, throwing an estimated 60 million urban workers out of work.¹¹⁶ With loans and subsidies from government either

¹⁰⁹ China's dependency on foreign trade and particularly US markets is also very heavy, see for example, Ho-fung Hung, 2009, “America's Head Servant? The PRC's Dilemma in the Global Crisis,” *New Left Review* 60, pp. 5-25.

¹¹⁰ Joel Andreas, 2009, *Rise of the Red Engineers: The Cultural Revolution and the Origins of China's New Class*, Stanford, California: Stanford University Press.

¹¹¹ Joel Andreas, 2012, “Industrial Restructuring and Class Transformation in China,” *China's Peasants and Workers: Changing Class Identities*, edited by Beatriz Carrillo and David S. G. Goodman, Cheltenham, UK: Edward Elgar, pp. 102-23.

¹¹² *Hetong gong* (合同工).

¹¹³ *Lishi gong* (臨時工).

¹¹⁴ Jackie Sheehan, 1998, *Chinese Workers: A New History*, London: Routledge, ch. 4; Elizabeth J. Perry and Li Xun, 1997, *Proletarian Power: Shanghai in the Cultural Revolution*, Boulder, CO: Westview Press.

¹¹⁵ Maurice Meisner, 1999, *Mao's China and After: A History of the People's Republic*, New York: The Free Press, part five; Yarong Jiang and David Ashley, 2000, *Mao's Children in the New China: Voices from the Red Guard Generation*, London: Routledge.

¹¹⁶ Ching Kwan Lee, 2007, *Against the Law: Labor Protests in China's Rustbelt and Sunbelt*, Berkeley: University of California Press; Marc Blecher, 2010, “Globalization, Structural Reform, and

reduced or eliminated, state-owned enterprises are responsible for their profits and losses with the pressures passed on to workers. William Hurst sharply observes that, during the 1990s through the early 2000s, “state firms became more, rather than less, politicized through reform.”¹¹⁷ Local government officials, including trade unions and women’s federations, advise laid-off workers to learn from entrepreneurial migrant workers to find new opportunities. They define the problem as personal, as a question of whether the individual worker is lazy, or is taking initiative to adapt to market changes and to advance with the times.¹¹⁸

Neoliberals believe that “human well-being can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong private property rights, free markets, and free trade.”¹¹⁹ China well illustrates the stark reality that follows from this logic: increased income polarization and structural inequality based on class, exacerbated by state withdrawal from the lifetime employment and welfare protection of workers in state-owned enterprises and collective firms.¹²⁰

Meanwhile, with the influx of foreign direct investment and the relaxation of state restrictions on rural-to-urban migration since the 1980s, successive cohorts of internal migrant workers have simultaneously become the core of the new industrial working class and been exposed to market risks and uncertainty. With China’s emerging state capitalism, labor flexibility, production efficiency, and competition across enterprises with various forms of ownership and labor relations become imperative.¹²¹ Yet even as class contradictions sharpen across society, the language of class has largely disappeared from Chinese discourse. As Ching Kwan Lee and Yuan Shen demonstrate, under dual pressure from the state and academic institutions, many scholars who study workers in post-socialist China “shun class analysis and

Labour Politics in China,” *Global Labour Journal* 1(1), pp. 92-111.

<http://digitalcommons.mcmaster.ca/cgi/viewcontent.cgi?article=1025&context=globallabour>

¹¹⁷ William Hurst, 2009, *The Chinese Worker after Socialism*, Cambridge, UK: Cambridge University Press, p. 53.

¹¹⁸ On workers’ acceptance of the hegemony of the market and their search for a market-based solution to maximize individual gains, willingly or otherwise, see Marc J. Blecher, 2002, “Hegemony and Workers’ Politics in China,” *The China Quarterly* 170, pp. 283-303.

¹¹⁹ David Harvey, 2005, *A Brief History of Neoliberalism*, Oxford: Oxford University Press, p. 2.

¹²⁰ Dorothy J. Solinger, 2009, *States’ Gains, Labor’s Losses: China, France, and Mexico Choose Global Liaisons, 1980-2000*, Ithaca, NY: Cornell University Press; Yin-wah Chu and Alvin Y. So, 2010, “State Neoliberalism: The Chinese Road to Capitalism,” *Chinese Capitalisms: Historical Emergence and Political Implications*, edited by Yin-wah Chu, Basingstoke: Palgrave Macmillan, pp. 46-72.

¹²¹ Joel Andreas, 2012, “Industrial Restructuring and Class Transformation in China,” *China’s Peasants and Workers: Changing Class Identities*, edited by Beatriz Carrillo and David S. G. Goodman, Cheltenham, UK: Edward Elgar, pp. 102-23.

define away labor issues as those of mobility, migration, and stratification.”¹²² The contemporary understanding is that the Chinese word *jieji* (class) connotes antagonism and confrontation in the Marxist sense, eliciting dark memories of bloody violence of class struggle in the recent past. Its replacement in social analysis, the concept of *jiecheng* (strata), receives official endorsement and wide public acceptance. Government policy-makers and academics analyze survey data on income distribution, educational attainment, and occupational prestige or rankings, and document the rise of a middle class, or a series of middle classes, in relatively wealthy China.¹²³ The mainstream discourse highlights social mobility predicated on enhancing human resource capital in the image of the entrepreneur through continuing education and re-employment training.

Incomplete Proletarianization of Chinese Rural Migrant Workers

The structural obstacles faced by rural migrant workers, however, go far beyond individual motivations for upward mobility. Many of the young rural migrants desire for a relative degree of individual freedom, an alternate lifestyle, and economic autonomy, which is stimulated by the growing urban-rural disparity¹²⁴ following de-collectivization. Some rural women also come to the cities in hopes of escaping arranged marriages, familial conflicts, and patriarchal oppression.¹²⁵ These personal and familial decisions concerning out-migration — shaped by the state-led, urban-based development strategy — fit into the state’s goal of channeling labor migration from the countryside to coastal industrial areas, and more recently to inland provinces. Great differences between the big city and the remote countryside, which inherited uneven ecological resources and productive inputs in a vast nation like China, have not been eliminated, despite significant state intervention and remarkable achievements during the socialist decades.¹²⁶

In the Chinese political economy, internal migrant workers continue to be officially

¹²² Ching Kwan Lee and Yuan Shen, 2009, “China: The Paradox and Possibility of a Public Sociology of Labor,” *Work and Occupations* 36(2), p. 110; Pun Ngai and Chris King-Chi Chan, 2008, “The Subsumption of Class Discourse in China,” *Boundary 2* 35(2), pp. 75-91.

¹²³ Ann Anagnost, 2008, “From ‘Class’ to ‘Social Strata’: Grasping the Social Totality in Reform-Era China,” *Third World Quarterly* 29(3), pp. 497-519; Chen Minglu and David S. G. Goodman, eds., 2013, *Middle Class China: Identity and Behavior*, Cheltenham, UK: Edward Elgar.

¹²⁴ Barry Naughton, 2007, *The Chinese Economy: Transitions and Growth*, Cambridge, MA: The MIT Press, ch. 5.

¹²⁵ See for example, Tamara Jacka, 2006, *Rural Women in Urban China: Gender, Migration and Social Change*, Armonk, NY: M. E. Sharpe; Jaesok Kim, 2013, *Chinese Labor in a Korean Factory: Class, Ethnicity, and Productivity on the Shop Floor in Globalizing China*, Stanford, California: Stanford University Press.

¹²⁶ Giovanni Arrighi, 2007, *Adam Smith in Beijing: Lineages of the Twenty-First Century*, New York: Verso, ch. 12.

classified as rural residents, including those who have lived and worked in cities for years, and indeed some were born and have spent their entire lives in cities. Recent government statistics indicate that nearly 30 million rural workers had migrated to urban areas with their spouse and children,¹²⁷ and this trend of family out-migration continues. State provision of contract land for rural residents, including migrants living and working in the cities, could arguably facilitate national development and stabilize society while preserving a vast proto-peasantry.¹²⁸ The original state-led accumulation strategy, based on the calculation that reproduction of villagers, including raising and educating children and eventual retirement, would take place in the rural areas, has been extended to the present, that is, to a time when hundreds of millions of migrant laborers have left the countryside for the cities under China's capitalist transition.

However, the desirability and sustainability of young people living in the traditional mode of rural-based social reproduction of labor is highly questionable. Rural migrants find themselves caught in a position of *incomplete proletarianization*.¹²⁹ The primary income of the scores of migrant factory workers is derived from wage labor. In the urban workplace, employers pay rural migrant labor *less* than their local counterparts, on the dubious assumption that the village will provide subsistence, housing, and security in old age.¹³⁰ Based on the 2010 Chinese trade union survey, the surveyed 2,711 migrant workers (from 1,000 unionized enterprises covering state-owned, collective, domestic private, and foreign-invested enterprises) were paid less on all five categories of insurance and the housing provident fund than co-workers with urban hukou. Perhaps surprisingly, significant numbers of local workers lacked one or more mandated social insurance benefits at the time of the

¹²⁷ National Bureau of Statistics of the People's Republic of China, 2010, "2009 Nian Nongmingong Jiance Diaocha Baogao" (Monitoring and Investigation Report on the Rural Migrant Workers in 2009) 2009年农民工监测调查报告.

http://www.360doc.com/content/13/1016/14/7157405_321860376.shtml

¹²⁸ Tiejun Cheng and Mark Selden, 1994, "The Origins and Social Consequences of China's Hukou System," *The China Quarterly* 139, pp. 644-68; Mark Selden and Wu Jieh-min, 2011, "The Chinese State, Incomplete Proletarianization and Structures of Inequality in Two Epochs," *The Asia-Pacific Journal* Vol. 9, Issue 5, No.1, January 31. <http://japanfocus.org/-Mark-Selden/3480#>; Dorothy J. Solinger, 1999, *Contesting Citizenship in Urban China: Peasant Migrants, the State, and the Logic of the Market*, Berkeley: University of California Press; Martin King Whyte, 2010, "The Paradoxes of Rural-Urban Inequality in Contemporary China," *One Country, Two Societies: Rural-Urban Inequality in Contemporary China*, edited by Martin King Whyte, Cambridge, Massachusetts: Harvard University Press, pp. 1-25.

¹²⁹ Pun Ngai and Lu Huilin, 2010, "Unfinished Proletarianization: Self, Anger and Class Action of the Second Generation of Peasant-Workers in Reform China," *Modern China* 36(5), pp. 493-519.

¹³⁰ For an excellent discussion on rural migrant labor and social inequality in other national context, see Michael Burawoy, 1976, "The Functions and Reproduction of Migrant Labor: Comparative Material from Southern Africa and the United States," *American Journal of Sociology* 81(5), pp. 1050-87.

survey. In all cases, however, migrants enjoyed far less coverage. The data suggest that the difference between the two segments of workers has narrowed at a time when both groups experienced welfare benefit cuts.¹³¹

Class has become a dominant mode of Chinese working people's experience of social reality.¹³² "Like other kinds of commodities," Eli Friedman and Ching Kwan Lee emphasize, "the human capacity to transform nature can now be alienated from one person and sold to others."¹³³ Production efficiency and market competition across enterprises of various forms of ownership have become imperative.¹³⁴ Indeed, government officials, from the Political Bureau down to township and village cadres, race against each other to "identify and support 'winners' in the economic competition."¹³⁵ Under these circumstances, local city governments have generally avoided improving the livelihood of migrant workers and families under their jurisdiction. Worse yet, local officials at the provincial, city, county, district, township, and village levels have fostered "a permissive regime of labor regulation" wherein central government rules are bent to the investors' advantage, thus perpetuating the plights of Chinese rural migrants as an underclass.¹³⁶

Labor Control and Workers' Rights

Regional competition for capital accumulation — across the coastal provinces and between the interior regions — is very intense.¹³⁷ Mary Gallagher points out that "the incentives, both political and economic, of attracting investment and export

¹³¹ All-China Federation of Trade Unions, 2011, "2010 Nian Qianye Xinshengdai Nongmingong Zhuangkuang Diaocha ji Duice Jianyi" (Survey Into and Some Proposals Regarding the Conditions of the New Generation of Rural Migrant Workers at Enterprises in 2010) 2010 年企業新生代農民工狀況調查及對策建議, Section 2.4. <http://acftu.people.com.cn/GB/67582/13966631.html>

¹³² Ching Kwan Lee, 2002, "Three Patterns of Working-Class Transitions in China," *Politics in China: Moving Frontiers*, edited by Francoise Mengin and Jean-Louis Rocca, New York: Palgrave Macmillan, pp. 62-91; Marc Blecher, 2010, "Globalization, Structural Reform, and Labour Politics in China," *Global Labour Journal* 1(1), pp. 92-111.

<http://digitalcommons.mcmaster.ca/cgi/viewcontent.cgi?article=1025&context=globallabour>

¹³³ Eli Friedman and Ching Kwan Lee, 2010, "Remaking the World of Chinese Labour: A 30-Year Retrospective," *British Journal of Industrial Relations* 48(3), p. 508.

¹³⁴ Mary Gallagher in her book *Contagious Capitalism: Globalization and the Politics of Labor in China* (New Jersey: Princeton University Press, 2005) discusses the changing working conditions in China under capitalist globalization, and advances a thesis of convergence wherein despotic labor relations are witnessed across state and non-state industrial enterprises, thus the notion of "contagion."

¹³⁵ Joel Andreas, 2008, "Changing Colors in China," *New Left Review* 54 (Nov/Dec), p. 140.

¹³⁶ Ching Kwan Lee, 2002, "From the Specter of Mao to the Spirit of the Law: Labour Insurgency in China," *Theory and Society* 31(2), p. 200.

¹³⁷ Andrew Ross, 2006, *Fast Boat to China: Corporate Flight and the Consequences of Free Trade – Lessons from Shanghai*, New York: Pantheon Books; Dali L. Yang, 1997, *Beyond Beijing: Liberalization and the Regions in China*, London: Routledge.

markets on the part of local governments has led to an overwhelming emphasis on firm autonomy and flexibility at the expense of workers' safety, health and rights."¹³⁸ To ensure a good investment climate, local labor officials do not stringently enforce labor laws and regulations. They are far more interested in creating a business-friendly environment for building their political career. Based on his survey, Barry Naughton found that "cadres are subject to annual evaluations, in which they can score up to 100 points, of which more than 70 are awarded for outcomes that are directly linked to economic growth."¹³⁹ Not surprisingly, labor inspection by the local bureaucracy is to a large extent a systemic failure.

The fundamental right to strike was included in China's 1975 and 1978 Constitutions, but was eventually removed in 1982, reflecting the government leaders' concerns over political stability and their fear of the possible influence of Polish Solidarity on Chinese activists.¹⁴⁰ Strikers are thus not protected by Chinese law. But the absence of legislative protection has failed to curtail workers from going on strike.¹⁴¹ Whereas strikes tend to have a more "immediate political effect than do such 'nibbling' actions as absenteeism, pilfering, slowdowns, or sabotage,"¹⁴² scholars have also paid attention to labor court challenges¹⁴³ and collective worker petitions,¹⁴⁴ which likewise have drawn great attention from state officials at various

¹³⁸ Mary Elizabeth Gallagher, 2004, "Time is Money, Efficiency is Life: The Transformation of Labor Relations in China," *Studies in Comparative International Development* 39(2), p. 20.

¹³⁹ Barry Naughton, 2010, "China's Distinctive System: Can It Be a Model for Others?," *Journal of Contemporary China* 19(65), p. 455.

¹⁴⁰ Jeanne L. Wilson, 1990, "'The Polish Lesson': China and Poland 1980-1990," *Studies in Comparative Communism* XXIII (3/4), p. 267.

¹⁴¹ Chris King-Chi Chan, 2010, *The Challenge of Labour in China: Strikes and the Changing Labour Regime in Global Factories*, London: Routledge; Ching Kwan Lee, 2010, "Pathways of Labor Activism," *Chinese Society: Change, Conflict and Resistance*, edited by Elizabeth J. Perry and Mark Selden, London: Routledge, pp. 57-79; Ching Kwan Lee, 2007, *Against the Law: Labor Protests in China's Rustbelt and Sunbelt*, Berkeley: University of California Press; Anita Chan, 2011, "Strikes in China's Export Industries in Comparative Perspective," *The China Journal* 65 (January), pp. 27-51; Feng Chen, 2007, "Individual Rights and Collective Rights: Labor's Predicament in China," *Communist and Post-Communist Studies* 40, pp. 59-79.

¹⁴² Elizabeth J. Perry, 1993, *Shanghai on Strike: The Politics of Chinese Labor*, Stanford, California: Stanford University Press, p. 7.

¹⁴³ Isabelle Thireau and Hua Linshan, 2003, "The Moral Universe of Aggrieved Chinese Workers: Workers' Appeals to Arbitration Committees and Letters and Visits Offices," *The China Journal* 50 (July), pp. 83-103; Mary E. Gallagher, 2006, "Mobilizing the Law in China: 'Informed Disenchantment' and the Development of Legal Consciousness," *Law and Society Review* 49(4), pp. 783-816; Mary E. Gallagher and Baohua Dong, 2011, "Legislating Harmony: Labor Law Reform in Contemporary China," *From Iron Rice Bowl to Informalization: Markets, Workers, and the State in a Changing China*, edited by Sarosh Kuruvilla, Ching Kwan Lee and Mary E. Gallagher, Ithaca, NY: Cornell University Press, pp. 36-60; Feng Chen and Xin Xu, 2012, "'Active Judiciary': Judicial Dismantling of Workers' Collective Action in China," *The China Journal* 67 (January), pp. 87-107.

¹⁴⁴ On a vivid study of migrant worker petitions to local and Beijing governments, see, Globalization Monitor, 2009, *No Choice but to Fight: A Documentation of Chinese Battery Women Workers' Struggle for Health and Dignity*, Hong Kong: Globalization Monitor, ch. 5.

levels. In fact, from the 1990s, persistent struggles by workers, especially laid-off urban workers (until the 2000s) and rural-to-urban migrants (through the present), have created intense pressure on the Chinese state to redefine its position toward labor conflicts.

With growing labor and social unrest, the governments including trade union officials are compelled to respond tactically. Tim Pringle documents the government provision of free legal aid service to needy workers, direct trade union elections facilitated by local officials, and the establishment of worker support centers in large factory towns.¹⁴⁵ Settlement of large-scale, high-profile worker strikes and protests through local government mediation is routinely undertaken to restore industrial harmony.¹⁴⁶ Xi Chen highlights that some local officials have used worker discontent to successfully negotiate additional resources from the center, and thus they are incentivized to step in to solve a few labor petition cases.¹⁴⁷ Ching Kwan Lee and Yonghong Zhang also show that officials have skillfully employed sophisticated “protest absorption” techniques to maintain socio-political stability (literally in the Chinese expression “weiwen”).¹⁴⁸ The durability of authoritarianism is built on limited accommodation to workers’ demands, while the deep-seated contradictions in capitalist production remain largely unaddressed.

The state-labor power relations are not static but are changing. The Chinese state is seeking to raise domestic consumption and hence living standards, in part in major response to the struggle of aggrieved workers and farmers.¹⁴⁹ Political leaders and business elites have perceived the threat of workers’ direct actions as so threatening to social stability that in certain periods both government and employers have been forced to grant certain policy concessions and propose higher wages. However, new opportunities for government officials, or bureaucratic capitalists, to accumulate private profit are abundant in high-tech industrial parks.

¹⁴⁵ Tim Pringle, 2011, *Trade Unions in China: The Challenge of Labour Unrest*, Abingdon, UK: Routledge; Tim Pringle, 2013, “Reflections on Labor in China: From a Moment to a Movement,” *The South Atlantic Quarterly* 112(1), pp. 191-202.

¹⁴⁶ For an example on government intervention in a wave of labor strikes at the Dalian Development Zone in Liaoning province, northeast China, see Feng Chen, 2010, “Trade Unions and the Quadripartite Interactions in Strike Settlement in China,” *The China Quarterly* 201 (March), pp. 104-24.

¹⁴⁷ Xi Chen, 2012, *Social Protest and Contentious Authoritarianism in China*, New York: Cambridge University Press, pp. 67-74.

¹⁴⁸ Lee Ching Kwan and Yonghong Zhang, 2013, “The Power of Instability: Unraveling the Microfoundations of Bargained Authoritarianism in China,” *American Journal of Sociology* 118(6), pp. 1475-508.

¹⁴⁹ Ho-fung Hung, 2008, “Rise of China and the Global Overaccumulation Crisis,” *Review of International Political Economy* 15(2), pp. 149-79; Ho-fung Hung, 2013, “Labor Politics under Three Stages of Chinese Capitalism,” *The South Atlantic Quarterly* 112(1), pp. 203-12.

One specific area of state intervention is the labor market: not only the tapping of the rural labor reserve, but also of tens of millions of student interns (*shixisheng*) turned workers (*xueshenggong*). In light of a tight supply of low-cost workers in some regions and/or at high production seasons, government officials promoted a combination of work and study through workplace-based internships, taking advantage of the expansion of modern vocational education in the past decades. We have learned that interns at large electronics¹⁵⁰ and automobile¹⁵¹ factories were not provided with skills training, but were simply treated as cheap labor. However, the triangular relationships or joint partnerships among local governments, vocational schools, and companies are yet to be explored in great depth.

Moreover, an analysis of the exploitations of Chinese industrial labor — including both migrant and student workers — reveals a strong link to global capital. Many manufacturers have become contractors or subcontractors to branded merchandisers and retailers in transnational production. By 2000, 50 percent of global manufacturing production was in developing countries with production organized through international supply chains, and the trend has continued to accelerate.¹⁵² How do Chinese workers respond to production demands in the globalized regime? What is their leverage of struggle in the multilayered network of corporate interests and state power?

Global Outsourcing, Buyers, and Contract Manufacturers

Capital concentration and consolidation are inherent to capitalism. As Karl Marx wrote in *Capital*, “one capitalist always strikes down many others.”¹⁵³ Corporations exploit spaces of uneven development at home and abroad to maximize profit.

¹⁵⁰ Su Yihui, 2011, “Student Workers in the Foxconn Empire: The Commodification of Education and Labor in China,” *Journal of Workplace Rights* 15(3-4), pp. 341-62; Pun Ngai and Lu Huilin, 2012, “The Foxconn Production Model and the New Era of Student Workers,” *Industrial Democracy in China: With Additional Studies on Germany, South-Korea and Vietnam*, edited by Rudolf Traub-Merz and Kinglun Ngok, Beijing: China Social Sciences Press, pp. 280-96.
<http://library.fes.de/pdf-files/bueros/china/09128/09128-english%20version.pdf>

¹⁵¹ Lu Zhang, 2008, “Lean Production and Labor Controls in the Chinese Automobile Industry in an Age of Globalization,” *International Labor and Working-Class History* 73 (Spring), pp. 24-44; Lu Zhang, 2011, “The Paradox of Labor Force Dualism and State-Labor-Capital Relations in the Chinese Automobile Industry,” *From Iron Rice Bowl to Informalization: Markets, Workers, and the State in a Changing China*, edited by Sarosh Kuruvilla, Ching Kwan Lee and Mary E. Gallagher, Ithaca, NY: Cornell University Press, pp. 107-37.

¹⁵² Quoted in Frederick Mayer and Gary Gereffi, 2010, “Regulation and Economic Globalization: Prospects and Limits of Private Governance,” *Business and Politics* 12(3), p. 3.

¹⁵³ Karl Marx, [1867] 1990, *Capital: A Critique of Political Economy*, Volume One, Translated by Ben Fowkes, London: Penguin Classics, p. 929.

Capital transforms favoured rural and urban sites for industrialization, while excluding “other regions of the globe” from “new waves of economic transformation.”¹⁵⁴ From the 1980s, with the demise of central planning in the Soviet Union, central and eastern Europe, and China, and the promotion of “free trade” in other emerging economies, the global structure of industrial production has fundamentally shifted. Through corporate outsourcing, restructuring, mergers and acquisitions, large companies expand market share onshore and offshore. Leading firms such as Apple and IBM, known as the “commodity chain drivers”¹⁵⁵ or “market makers,”¹⁵⁶ once produced many of their products in-house in their own countries. In recent decades they have preferred to set up hierarchically structured networks of independently-owned suppliers to produce their commodities.¹⁵⁷

“Global supply bases” have emerged in India, Brazil, Mexico, South Africa, Vietnam, and other rapidly developing economies, but above all, in China, where production activities and market transactions are taking place at competitively low prices, high speed, and in huge volumes.¹⁵⁸ Multinational giants seek to partner with a small number of highly efficient and strategically located contractors, while diversifying risks and minimizing costs through supply chain management.¹⁵⁹

¹⁵⁴ Edward Webster, Rob Lambert and Andries Bezuidenhout, 2008, *Grounding Globalization: Labour in the Age of Insecurity*, Malden, MA: Blackwell Publishing, p. 1.

¹⁵⁵ Terence K. Hopkins and Immanuel Wallerstein, 1986, “Commodity Chains in the World-Economy Prior to 1800,” *Review* (Fernand Braudel Center) 10(1), pp. 157-70; Gary Gereffi, 1994, “The Organization of Buyer-Driven Global Commodity Chains: How U.S. Retailers Shape Overseas Production Networks,” *Commodity Chains and Global Capitalism*, edited by Gary Gereffi and Miguel Korzeniewicz, Westport, CT: Praeger, pp. 95-122; Jennifer Bair, 2005, “Global Capitalism and Commodity Chains: Looking Back, Going Forward,” *Competition & Change* 9(2), pp. 153-80.

¹⁵⁶ Gary G. Hamilton, Misha Petrovic and Benjamin Senauer, eds., 2011, *The Market Makers: How Retailers are Reshaping the Global Economy*, Oxford: Oxford University Press.

¹⁵⁷ Peter Evans, 1995, *Embedded Autonomy: States and Industrial Transformation*, Princeton, New Jersey: Princeton University Press; Mark Selden, 1997, “China, Japan, and the Regional Political Economy of East Asia, 1945-1995,” *Network Power: Japan and Asia*, edited by Peter J. Katzenstein and Takashi Shiraishi, Ithaca, NY: Cornell University Press, pp. 306-40; Ted Smith, David A. Sonnenfeld and David Naguib Pellow, eds., 2006, *Challenging the Chip: Labor Rights and Environmental Justice in the Global Electronics Industry*, Philadelphia: Temple University Press; Steven C. McKay, 2006, *Satanic Mills or Silicon Islands? The Politics of High-Tech Production in the Philippines*, Ithaca, NY: Cornell University Press; Boy Lüthje, Stefanie Hürtgen, Peter Pawlicki and Martina Sproll, 2013, *From Silicon Valley to Shenzhen: Global Production and Work in the IT Industry*, Lanham, MD: Rowman and Littlefield; Asia Monitor Resource Center, 2013, *Labour Rights in High Tech Electronics: Case Studies of Workers’ Struggles in Samsung Electronics and its Asian Suppliers*, Hong Kong: Asia Monitor Resource Center.

¹⁵⁸ Timothy Sturgeon, John Humphrey and Gary Gereffi, 2011, “Making the Global Supply Base,” *The Market Makers: How Retailers are Reshaping the Global Economy*, edited by Gary G. Hamilton, Misha Petrovic and Benjamin Senauer, Oxford: Oxford University Press, pp. 231-54; Jeffrey Henderson and Khalid Nadvi, 2011, “Greater China, the Challenges of Global Production Networks and the Dynamics of Transformation,” *Global Networks* 11(3), pp. 285-97.

¹⁵⁹ Jason Dedrick and Kenneth L. Kraemer, 2011, “Market Making in the Personal Computer Industry,” *The Market Makers: How Retailers are Reshaping the Global Economy*, edited by Gary G. Hamilton, Misha Petrovic and Benjamin Senauer, Oxford: Oxford University Press, pp. 291-310.

Giant manufacturers, rather than small workshops, are better able to “respond to shortening product cycles and increasing product complexity,” thus becoming powerful players in just-in-time production networks.¹⁶⁰ They serve multiple clients to climb the global value chains. They have been upgrading and growing in size and scale. Richard Appelbaum finds that East Asian contractors, ranging from footwear and garments to electronics, have been integrating vertically in their supply chains.¹⁶¹ Joonkoo Lee and Gary Gereffi explain the co-evolution process that capital accumulation of smartphone leaders (such as Apple and Samsung) have advanced alongside innovation within their large assemblers.¹⁶² Electronics manufacturers provide value-added services, component processing, and final assembly in “one-stop shopping” to technology firms and retailers. Not only production tasks, but also inventory management and logistics, are being concentrated in strategic factories, resulting in ever stronger mutually dependent relations between buyers and suppliers.

And yet global buyers, facing strong competition, seek to lower costs, strengthen control over suppliers, and speed up to release newer products. Large buyers and retailers continue to dominate the business relationship and impose their will on their contractors. “The determination of retailers [such as Walmart] to cut costs to the bare bone leaves little room for contractors [based in China] to maintain labor standards.”¹⁶³ Similarly, Edward Webster, Rob Lambert, and Andries Bezuidenhout highlight the power asymmetry between buyers and contractors, in which big firms like LG take advantage of their dominant market position to “actually demand cuts in costs” from suppliers.¹⁶⁴ The *buyer-driven* pattern is characteristic of numerous

¹⁶⁰ Guido Starosta, 2010, “The Outsourcing of Manufacturing and the Rise of Giant Global Contractors: A Marxian Approach to Some Recent Transformations of Global Value Chains,” *New Political Economy* 15(4), p. 546.

¹⁶¹ Richard P. Appelbaum, 2009, “Big Suppliers in Greater China: A Growing Counterweight to the Power of Giant Retailers,” *China and the Transformation of Global Capitalism*, edited by Ho-fung Hung, Baltimore: The Johns Hopkins University Press, pp. 65-85.

¹⁶² Joonkoo Lee and Gary Gereffi, 2013, “The Co-Evolution of Concentration in Mobile Phone Value Chains and its Impact on Social Upgrading in Developing Countries,” *Capturing the Gains: Economic and Social Upgrading in Global Production Networks*, Working Paper 25. <http://www.capturingthegains.org/pdf/ctg-wp-2013-25.pdf>

¹⁶³ Edna Bonacich and Gary G. Hamilton, 2011, “Global Logistics, Global Labor,” *The Market Makers: How Retailers are Reshaping the Global Economy*, edited by Gary G. Hamilton, Misha Petrovic and Benjamin Senauer, Oxford: Oxford University Press, p. 225; see also, Richard Appelbaum and Nelson Lichtenstein, 2006, “A New World of Retail Supremacy: Supply Chains and Workers’ Chains in the Age of Wal-Mart,” *International Labor and Working-Class History* 70 (Fall), pp. 106-25; Nelson Lichtenstein, 2009, *The Retail Revolution: How Wal-Mart Created a Brave New World of Business*, New York: Henry Holt and Company; Anita Chan, ed., 2011, *Walmart in China*, Ithaca, New York: Cornell University Press.

¹⁶⁴ Edward Webster, Rob Lambert and Andries Bezuidenhout, 2008, *Grounding Globalization: Labour in the Age of Insecurity*, Malden, MA: Blackwell Publishing, p. 58.

American, European, Japanese, and South Korean transnationals that dominate the electronics industry. Boy L uthje observes that brand-name firms have focused on “product development, design, and marketing,” gaining a larger share of the value created in trade even as they abandon hardware manufacturing.¹⁶⁵

Intense bargaining by big buyers over costs and profits has kept a tight rein on producers. Garrett Brown argues that “contractor factories” are often not provided with financial support for corporate responsibility programs required by brands, “instead they face slashed profit margins and additional costs that can be made up only by further squeezing their own labor force.”¹⁶⁶ Subject to strong demands from global brands, manufacturers in China and other countries compete against each other to meet production speedup, pricing, and quality goals, shaving profit margins. An ever quicker product release cycle, accompanied by shorter product finishing time, increases pressures on factory workers. Steven McKay concludes that high-tech commodity producers “focus their labor concerns on cost, availability, quality, *and* controllability” to enhance profitability in the export market.¹⁶⁷ Price pressures lead manufacturing firms to compromise workers’ health and safety and to keep wages low. Workers’ adaptation, or resistance, to capitalist control has to be understood in this new context of global production, in which concentration of capital and supply chains at the country, sectoral, and/or firm level has reconfigured class and labor politics.

Worker Resistance in Global Production

The integration of manufacturers in global production networks, and tight delivery schedules for coveted products, has *enhanced* workers’ bargaining power at the workplace level. In her longitudinal survey of world labor movements since 1870, Beverly Silver documents the rise of new working class forces in sites of capital investment at specific historical conjunctures. She defines “workplace bargaining power” as the power that “accrues to workers who are enmeshed in tightly integrated production processes, where a localized work stoppage in a key node can cause disruptions on a much wider scale than the stoppage itself.”¹⁶⁸ In the contemporary

¹⁶⁵ Boy L uthje, 2006, “The Changing Map of Global Electronics: Networks of Mass Production in the New Economy,” *Challenging the Chip: Labor Rights and Environmental Justice in the Global Electronics Industry*, edited by Ted Smith, David A. Sonnenfeld and David Naguib Pellow, Philadelphia: Temple University Press, pp. 17-18.

¹⁶⁶ Garrett Brown, 2010, “Global Electronics Factories in Spotlight,” *Occupational Health and Safety*, August. <http://ohsonline.com/articles/2010/08/04/global-electronics-factories-in-spotlight.aspx>

¹⁶⁷ Steven C. McKay, 2006, *Satanic Mills or Silicon Islands? The Politics of High-Tech Production in the Philippines*, Ithaca, NY: Cornell University Press, p. 42 (italics original).

¹⁶⁸ Beverly J. Silver, 2003, *Forces of Labor: Workers’ Movements and Globalization since 1870*,

context of social struggles, Frances Piven succinctly discusses the nature of “interdependent power” and highlights the fundamental fact that employers are dependent on workers’ consent to labor, perhaps more dependent than ever before in our modern world economy. She writes:

Distinctive features of contemporary capitalist economies make them exceptionally vulnerable to the withdrawal of cooperation; in other words, to the strike power in its many forms. These features include extended chains of production, reliance on the Internet to mesh elaborate schedules of transportation and production, and just-in-time production doing away with the inventories that once shielded corporations from the impact of the production strike.¹⁶⁹

With workers’ growing awareness of the opportunities presented by the fact that giant corporations faced pressures to meet quotas for new models and holiday season purchases, they have come together to voice demands. The vast labor force at many workplaces are striving to expand social and economic rights, bypassing the management-controlled unions.¹⁷⁰ Access to internet and social networking technology also enables workers to disseminate open letters and to tweet urgent appeals for support.¹⁷¹ The number of worker protests and strikes has exploded in recent decades, even though the Chinese state has sought to redirect protest from the streets to the courts, and to encourage settlements with employers. Periodic and limited worker victories aside, managerial assault and/or state repression of labor protests are still commonplace.

Elizabeth Perry observes that “labor movements are not merely the product of industrial structure or market conditions. The political setting also acts as a critical force in shaping the pattern of worker protest.”¹⁷² My field research attempts to show that new frontiers of organized resistance among a young cohort of industrial

Cambridge: Cambridge University Press, p. 13; see also, Erik Olin Wright, 2000, “Working-Class Power, Capitalist-Class Interests, and Class Compromise,” *American Journal of Sociology* 105(4), pp. 957-1002.

¹⁶⁹ Frances Fox Piven, 2014, “Interdependent Power: Strategizing for the Occupy Movement,” *Current Sociology* 62(2), p. 226.

¹⁷⁰ For an example of workers’ disruptive power in an auto plant, see Beverly J. Silver and Lu Zhang, 2009, “China as an Emerging Epicenter of World Labour Unrest,” *China and the Transformation of Global Capitalism*, edited by Ho-fung Hung, Baltimore: The Johns Hopkins University Press, pp. 174-87.

¹⁷¹ Jack Linchuan Qiu, 2009, *Working-Class Network Society: Communication Technology and the Information Have-Less in China*, Cambridge: MIT Press.

¹⁷² Elizabeth J. Perry, 2002, *Challenging the Mandate of Heaven: Social Protest and State Power in China*, Armonk, New York: M. E. Sharpe, p. 162.

workers are opening up. As capital moves to lower-cost regions to take advantage of state privileges, including access to flexible labor, new sources of grievances arise. Angry workers sometimes take aim at their factory boss and global buyers in question, such that the multiple “stakeholders” including the company representatives of the supply chains and Chinese government officials are compelled to act. The bargaining power among workers, capital, and central/local state over labor rights has shifted at times of higher social awareness about rights protection, governance legitimacy, and global labor justice.¹⁷³

Concluding Remarks

The Communist political leaders, guided by Marxist and Leninist doctrines, aimed to improve the lives of workers and peasants following the founding of the People’s Republic of China in 1949. The mode of socialist production was characterized by state appropriation of surplus labor for a high level of reinvestment and provision of full employment.¹⁷⁴ In the first Chinese Constitution, adopted in 1954, the central leadership legitimized the working class as the vanguards in “a people’s democratic state.” The days when Chinese workers were glorified as a political force of advanced revolutionary consciousness, nevertheless, have long buried in the past. In recent years, while the government has made class compromise and socio-economic concessions to some extent,¹⁷⁵ grievances continue to build up among a new generation in “the workshop of the world.”

Transnational corporations have exported capital in searching for cheaper, disciplined, and more pliant labor, thereby circumventing tighter labor regulatory systems within certain nations. The resulting “successive geographical relocation of capital” has been facilitated by efficient transportation and communications technologies, regional and international financial services, and access to immigrants and surplus labor.¹⁷⁶ The “race to the bottom,” however, has rarely proceeded without labor, social and/or environmental challenges at sites of new investment.

¹⁷³ Gay W. Seidman, 2007, *Beyond the Boycott: Labor Rights, Human Rights, and Transnational Activism*, New York: Russell Sage Foundation.

¹⁷⁴ Lü Xiaobo and Elizabeth J. Perry, eds., 1997, *Danwei: Changing Chinese Workplace in Historical and Comparative Perspective*, Armonk, NY: M. E. Sharpe.

¹⁷⁵ Eli Friedman, 2014, *Insurgency Trap: Labor Politics in Postsocialist China*, Ithaca, NY: Cornell University Press; Ching Kwan Lee and You-tien Hsing, 2010, “Social Activism in China: Agency and Possibility,” *Reclaiming Chinese Society: The New Social Activism*, edited by You-tien Hsing and Ching Kwan Lee, London: Routledge, pp. 1-13.

¹⁷⁶ Beverly J. Silver, 2003, *Forces of Labor: Workers’ Movements and Globalization since 1870*, Cambridge: Cambridge University Press, p. 39; Jefferson Cowie, 2001, *Capital Move: RCA’s Seventy-Year Quest for Cheap Labor*, New York: The New Press; David Harvey, 2010, *The Enigma of Capital and the Crises of Capitalism*, New York: Oxford University Press.

China, in its opening to foreign capital and international trade since the early 1980s, well exemplifies all these processes — and in an extreme form, where hundreds of millions of workers are being drawn into global production chains. Is it simply a matter of time before worker protests coalesce into larger and more sustained movements, inviting comparison with the great labor protests that erupted throughout China in the early 20th century?

At the same time as producing more than 50 percent of the world's electronics, Foxconn's workers are simultaneously creating a new working class with potential to shape Chinese labor politics. In the following chapters, I show that some aggrieved workers have taken aim at reputation-conscious companies to defend their rights and interests. The question remains whether, and under what conditions, workers can effectively challenge the combination of corporate and state power to raise labor and social standards.

Chapter 3

China's Rise and Foxconn's Empire

As the largest electronics manufacturer in the world, Foxconn is realizing the dream that everyone can enjoy high quality products...Foxconn's "one-stop" service for customers has been proved as the best service in the world.

—Foxconn Technology Group¹⁷⁷

China's economic reform is built on a strong foundation of socialist development. Between 1952 (when the First Five-Year Plan was launched) and 1978, national industrial output increased at an average rate of 11.5 percent annually.¹⁷⁸ This "big push" development strategy focused on heavy industry, such as iron and steel, agricultural machinery, and natural resource extraction. From the early 1980s, the government has promoted labor-intensive industrialization to enhance national competitiveness in the world economy. In a span of two decades, the Chinese national economy had fundamentally undergone a transformation from one based on heavy industry, with guaranteed lifetime employment and generous welfare provided to urban state sector workers, to one that mainly relies on foreign and private investments and massive use of rural migrant laborers in light export-oriented industries.¹⁷⁹ In the electronics manufacturing industry, Taiwanese-invested Foxconn is king.¹⁸⁰

The corporate growth of Foxconn in China is unprecedented anywhere in the world, in terms of the size of workforce, the scale of its factories, and the speed of their geographic spread. From 1974, Foxconn's drive for profits led it to internationalize

¹⁷⁷ Foxconn Technology Group, 2013, "Make Dreams Come True." Video.

<http://www.foxconn.com.cn/global.html>

¹⁷⁸ Barry Naughton, 2007, *The Chinese Economy: Transitions and Growth*, Cambridge, MA: The MIT Press, p. 56.

¹⁷⁹ On the diversified Chinese economic structure, see Arthur Kroeber, 2008, "Rising China and the Liberal West," *China Economic Quarterly* (March), pp. 29-44.

¹⁸⁰ Unless otherwise stated, I write the company history based on Foxconn's publications, such as annual reports from 2009 to 2013 (<http://ser.foxconn.com/ViewAnuReport.do?action=showAnnual>), financial statements, press statements, monthly magazines (*The Foxconn Bridgeworkers* 鴻橋), weekly newspapers (*Foxconn Weekly* 富士康人), and corporate online videos. Foxconn websites primarily include those of Taiwan (<http://www.foxconn.com/>), China (<http://www.foxconn.com.cn/>), Hong Kong (<http://www.fih-foxconn.com/about/default.aspx>), Czech Republic (<http://www.foxconn.cz/index.php?page=english>), Slovakia (<http://www.foxconnlovakia.sk/english/>), and Turkey (<http://www.foxconn.com.tr/en/hakkimizda.html>). Major Foxconn business and service homepages are: Foxconn Tech (<http://www.foxconntech.com.tw/en-global2-1.html>), Foxconn Support (<http://www.foxconnsupport.com/>), and Foxconn Channel (<http://www.foxconnchannel.com/>).

production. Taking advantage of China's Open Door policy, in 1988 Foxconn was among the first group of Taiwanese companies to invest in coastal Guangdong. Today Foxconn has more than 30 factories in China alone, with each single factory complex employing from 80,000 to over 400,000 workers. Besides China and Taiwan, Foxconn has production facilities in Japan, South Korea, Australia, New Zealand, Indonesia, Malaysia, Singapore, Vietnam, India, United Arab Emirates, Russia, Finland, Sweden, Denmark, the Netherlands, Austria, Germany, Hungary, Czech Republic, Slovakia, Turkey, Ireland, Scotland, Brazil, Mexico, Canada, and the United States (see *Appendix 3* for Foxconn's locations around the world). As such, Foxconn could be said to have built a global industrial empire. But the heart of that empire, including the lion's share of the labor force, lies in China.

This chapter narrates the historical development of Foxconn in the trajectory of East Asian and Chinese globalization since the 1970s. The expansion of Foxconn to become a powerful transnational corporation is inseparable from major brands' global restructuring and China's capitalist transformation. Between 1988 and 1999, foreign direct investments from Taiwan reached 9.3 percent of China's total inflows of investments,¹⁸¹ and Taiwanese capital, combined with growing capital from Japan, the United States, Europe, and other countries since the early 1990s, have steadily increased. From coastal to central and western China, Foxconn gains local government support in terms of access to labor, land, and administrative services. Provincial and lower-level governments engage with large enterprises like Foxconn to maximize economic gains, and at times erect protectionist barriers against investment from other provinces or cities, such that China has reported a "one country, thirty-one economies" malaise.¹⁸² In recent years, however, regional economic integration and stronger inter-governmental cooperation has been undertaken in pursuit of greater competitiveness. A notable example is the formal establishment of the Chengdu-Chongqing¹⁸³ Economic Zone in 2011 in southwestern China, following the regional development of trade and industries for more than a decade (in Chinese, the official abbreviations of Chengdu and Chongqing denote the new economic zone, *Cheng-Yu jingji qu*).¹⁸⁴ Not surprisingly, a Chengdu-based Foxconn human resources manager said, "the future of Foxconn

¹⁸¹ Yasheng Huang, 2003, *Selling China: Foreign Direct Investment during the Reform Era*, Cambridge: Cambridge University Press, p. 48.

¹⁸² Yasheng Huang, 2003, *Selling China*, p. 140-48.

¹⁸³ Chongqing, on the eastern end of Sichuan province, became China's fourth municipality directly under the central government in 1997 (besides Beijing, Shanghai, and Tianjin).

¹⁸⁴ Zhou Ling and Wu Jiang, 2013, "Intergovernmental Cooperation in Cheng-Yu Economic Zone: A Case Study on Chinese Regional Collaboration under Synergy Governance," *Canadian Social Science* 9(3), pp. 15-23.

has been tightly bound with Chengdu and Chongqing.”¹⁸⁵ In fact, Chengdu is currently home of more than two hundred Global 500 companies.¹⁸⁶ The rise of Foxconn and other large companies testifies to China’s global success, even if this comes at a high human and environmental cost.

Japan, China, and East Asia

Between 1990 and 2006, the expansion of intra-Asia trade accounted for about 40 percent of the total increase in world trade.¹⁸⁷ China’s growing dominance has reshaped regional production networks previously dominated by Japan and its former colonies Taiwan and South Korea. The rise of Japan and East Asian capitalism in the 1950s and 1960s was integral to the Cold War geopolitical order. To contain the spread of Communism and consolidate its global economic reach, the United States provided military and economic resources to its “client states,” encouraged Taiwan and South Korea to open up their markets to Japanese trade and investment, and fostered the growth of a regional power centered on Japan’s export-oriented industrialization.¹⁸⁸ Japanese firms received subsidized loans to create new industries and exported finished products to Western markets. In the 1960s, Toshiba, Hitachi, Panasonic, Sanyo, Ricoh, Mitsubishi, Casio and others moved to Taiwan to start operations.¹⁸⁹ Similarly, Japanese trading companies began sourcing garments and footwear from Taiwan, South Korea, and Hong Kong.

From the mid-1960s, IBM, the leader in business computing, shifted its labor-intensive production from the United States and Europe to Asia in order to cut costs.¹⁹⁰ The microelectronics components of IBM System 360 computers were

¹⁸⁵ Manager interviewee 3.

¹⁸⁶ *Fortune* Live Media, 2013, “*Fortune* Global Forum: Chengdu, 6-8 June.”
<http://www.fortuneconferences.com/global-forum-2013/>

¹⁸⁷ Giovanni Arrighi, 2009, “China’s Market Economy in the Long Run,” *China and the Transformation of Global Capitalism*, edited by Ho-fung Hung, Baltimore: The Johns Hopkins University Press, p. 22.

¹⁸⁸ Mark Selden, 1997, “China, Japan, and the Regional Political Economy of East Asia, 1945-1995,” *Network Power: Japan and Asia*, edited by Peter J. Katzenstein and Takashi Shiraishi, Ithaca, NY: Cornell University Press, pp. 306-40; Robert Wade, 1990, *Governing the Market: Economic Theory and the Role of Government in East Asian Industrialization*, Princeton: Princeton University Press; Peter Evans, 1995, *Embedded Autonomy: States and Industrial Transformation*, Princeton, New Jersey: Princeton University Press; Ho-fung, Hung, ed., 2009, *China and the Transformation of Global Capitalism*, Baltimore, MD: The Johns Hopkins University Press.

¹⁸⁹ Gary G. Hamilton and Cheng-shu Kao, 2011, “The Asia Miracle and the Rise of Demand-Responsive Economies,” *The Market Makers: How Retailers are Reshaping the Global Economy*, edited by Gary G. Hamilton, Misha Petrovic and Benjamin Senauer, Oxford: Oxford University Press, pp. 191-93.

¹⁹⁰ Steven C. McKay, 2006, *Satanic Mills or Silicon Islands? The Politics of High-Tech Production in the Philippines*, Ithaca, NY: Cornell University Press, pp. 37-39.

assembled by workers in Japan, and then Taiwan, because “the cost of labor there was so low” that it was cheaper than automated production in New York.¹⁹¹ Radio Corporation America (RCA), the long-time consumer electronics giant, similarly moved to “take advantage of Taiwan’s cheap labor and loose regulatory environment” in the export-processing zones in the late 1960s.¹⁹² Electronics assembly grew rapidly in Taiwan, South Korea, Singapore, and Hong Kong (“the Asian Tigers”), and later Malaysia, the Philippines, Thailand, Indonesia, and India.¹⁹³ In these newly industrializing countries, most factory workers were young women migrants from the countryside, whose discipline and low cost labor contributed to the “economic miracle.”¹⁹⁴

From the late 1970s, China set up special economic zones to attract foreign capital and boost exports as the means to integrate regional and global economies. The state controlled workers’ self-organization and consequently wages to facilitate low-cost exports.¹⁹⁵ Throughout the first three decades of rapid light industrialization, the manufacturing wages of “the Asian Tigers” rose from approximately 8 percent of U.S. wages in 1975 to over 30 percent in the 1990s through 2005; by contrast, China’s manufacturing wages over the years from 1980 to 2005 remained fairly low, at approximately 2-3 percent of U.S. wages.¹⁹⁶ Long-term wage stagnation has

¹⁹¹ Dieter Ernst, 1997, “From Partial to Systemic Globalization: International Production Networks in the Electronics Industry,” Berkeley Roundtable on the International Economy Working Paper 98, p. 40.

¹⁹² Andrew Ross, 2006, *Fast Boat to China: Corporate Flight and the Consequences of Free Trade—Lessons from Shanghai*, New York: Pantheon Books, p. 243; Ku Yu-ling, 2006, “Human Lives Valued Less than Dirt: Former RCA Workers Contaminated by Pollution Fighting Worldwide for Justice (Taiwan),” *Challenging the Chip: Labor Rights and Environmental Justice in the Global Electronics Industry*, edited by Ted Smith, David A. Sonnenfeld, and David Naguib Pellow, Philadelphia: Temple University Press, pp. 181-90; Hsin-Hsing Chen, 2011, “Field Report: Professionals, Students, and Activists in Taiwan Mobilize for an Unprecedented Collective-Action Lawsuit against a Former Top American Electronics Company,” *East Asian Science, Technology and Society* 5(4), pp. 555-65.

¹⁹³ Boy Lütjhe, Stefanie Hürtgen, Peter Pawlicki and Martina Sproll, 2013, *From Silicon Valley to Shenzhen: Global Production and Work in the IT Industry*, Lanham, MD: Rowman and Littlefield; Jeffrey Henderson, 1989, *The Globalization of High-Technology Production*, London: Routledge; Jeffrey Henderson and Khalid Nadvi, 2011, “Greater China, the Challenges of Global Production Networks and the Dynamics of Transformation,” *Global Networks* 11(3), pp. 285-97.

¹⁹⁴ Frederic C. Deyo, 1989, *Beneath the Miracle: Labor Subordination in the New Asian Industrialism*, Berkeley: University of California Press; Hagen Koo, 2001, *Korean Workers: The Culture and Politics of Class Formation*, Ithaca, NY: Cornell University Press; Jane Hutchison and Andrew Brown, eds., 2001, *Organizing Labour in Globalizing Asia*, London: Routledge; Aihwa Ong, [1987] 2010, *Spirits of Resistance and Capitalist Discipline: Factory Women in Malaysia*, Albany, NY: State University of New York.

¹⁹⁵ Anita Chan and Hong-zen Wang, 2005, “The Impact of the State on Workers’ Conditions: Comparing Taiwanese Factories in China and Vietnam,” *Pacific Affairs* 77(4), pp. 629-46; Mark Selden and Elizabeth J. Perry, 2010, “Introduction: Reform, Conflict and Resistance in Contemporary China,” *Chinese Society: Change, Conflict and Resistance*, edited by Elizabeth J. Perry and Mark Selden, London: Routledge, pp. 1-30.

¹⁹⁶ Ho-fung Hung, 2008, “Rise of China and the Global Overaccumulation Crisis,” *Review of*

enhanced Chinese export competitiveness, but dampens domestic consumption. Ho-fung Hung concludes that private consumption in China has been rising in absolute terms since the 1980s, but it has grown far more slowly than fixed-asset investment.¹⁹⁷ Although a declining share of wages in total gross domestic product — that is, wage repression — is widely reported elsewhere, China’s divide between the rich and poor is enormous and widening.

Since the late-1980s, China’s rural economy has deteriorated as the state prioritized urban-centered and export-oriented industrial policy.¹⁹⁸ China’s accession to the World Trade Organization in 2001 brought about further challenges to villagers, who faced a flood of cheap subsidized crops imported from overseas. Despite gains associated with the elimination of agricultural taxes in the mid-2000s and the subsequent establishment of a minimal subsidy for the poor, with the departure of most young people for the cities, the prospects for agriculture and sustainable rural development have remained dim.

China’s Wages and Rising Inequalities

China’s wage competitiveness and labor productivity are among the attractions for international and domestic capital. In the face of labor unrest and popular discontent, since 2003, the new central government has taken some steps to improve farmers’ income and to raise minimum wages to stimulate consumption-led growth.¹⁹⁹ The 2004 Provisions on Minimum Wage requires local governments to raise minimum wages at least once every two years.²⁰⁰ Between 2008 and 2012, local governments raised minimum wages by an average of 12.6 percent annually, except for a wage freeze in 2009 in the wake of the world recession.²⁰¹ In 2009, the average wage of China’s 145 million migrant workers working in the city was 1,417 Yuan/month,

International Political Economy 15(2), p. 162.

¹⁹⁷ Ho-fung Hung, 2009, “America’s Head Servant? The PRC’s Dilemma in the Global Crisis,” *New Left Review* 60, pp. 18-20.

¹⁹⁸ Mark Selden, 1993, *The Political Economy of Chinese Development*, Armonk, NY: M. E. Sharpe; Deborah S. Davis and Wang Feng, eds., 2009, *Creating Wealth and Poverty in Postsocialist China*, Stanford, California: Stanford University Press.

¹⁹⁹ Barry Naughton, 2007, *The Chinese Economy: Transitions and Growth*, Cambridge, MA: The MIT Press, ch. 5.

²⁰⁰ Ministry of Labor and Social Security, 2004, *Zuidi Gongzi Guiding* (Provisions on Minimum Wages) 最低工資規定. Full text in Chinese is available at:

http://www.molss.gov.cn/gb/ywzn/2006-02/15/content_106799.htm

²⁰¹ China Briefing, 28 January 2013, “A Complete Guide to China’s Minimum Wage Levels by Province, City, and District.”

<http://www.china-briefing.com/news/2013/01/28/a-complete-guide-to-chinas-minimum-wage-levels-by-y-province-city-and-district.html>

including overtime premiums.²⁰² To take an example from my research: between January 2009 and May 2010, Foxconn’s largest Longhua factory paid its new “unskilled” workers in Shenzhen 900 Yuan per month — the lowest statutory rate.

Table 3.1 lists 12 cities with large migrant populations and shows that statutory minimum wages in inland cities are approximately one-quarter to one-third below those in large coastal metropolises (listed in the order of 2013 local minimum wages). At the end of 2012, the National Bureau of Statistics reported that the average total income of migrant workers in big coastal cities reached 2,290 Yuan/month (including overtime premiums, subsidies, and/or bonuses), an increase of nearly 12 percent over the previous year.²⁰³ In 2013, Shanghai at 1,620 Yuan/month and Shenzhen at 1,600 Yuan/month had the highest minimum wages nationwide, while Chongqing in western China barely surpassed one thousand Yuan.

Table 3.1 China’s Minimum Wages in 12 Cities, 2009-2013

	Minimum Wages (Yuan/Month)		
	2009	2011	2013
1. Shanghai	960	1,280	1,620
2. Shenzhen, Guangdong Province	900/1,000*	1,320	1,600
3. Tianjin	820	1,160	1,500
4. Nanjing, Jiangsu Province	850	1,140	1,480
5. Hangzhou, Zhejiang Province	960	1,310	1,470
6. Beijing	800	1,160	1,400
7. Langfang, Hebei Province	750	1,100	1,320
8. Wuhan, Hubei Province	700	1,100	1,300
9. Taiyuan, Shanxi Province	720	980	1,290
10. Zhengzhou, Henan Province	650	1,080	1,240
11. Chengdu, Sichuan Province	650	850	1,200
12. Chongqing	680	870	1,050

* Outside/inside the Shenzhen Special Economic Zone. From 1 July 2010, Shenzhen municipal government standardized minimum wages within the city.

Note: Shanghai, Tianjin, and Beijing are large metropolitan cities; Guangdong, Jiangsu, and Zhejiang the coastal provinces; Hebei, Hubei, Shanxi, and Henan the central and northern-central provinces; Sichuan and provincial-level city Chongqing the western region.

Sources: China’s Ministry of Human Resources and Social Security (2010, 2012, 2013a, 2013b).²⁰⁴

²⁰² National Bureau of Statistics, 2010, “2009 Nian Nongmingong Jiance Diaocha Baogao” (Monitoring and Investigation Report on the Rural Migrant Workers in 2009) 2009 年農民工監測調查報告. http://www.360doc.com/content/13/1016/14/7157405_321860376.shtml

²⁰³ National Bureau of Statistics, 18 January 2013, “China’s Economy Achieved a Stabilized and Accelerated Development in the Year of 2012.” http://www.stats.gov.cn/english/pressrelease/t20130118_402867147.htm

²⁰⁴ Ministry of Human Resources and Social Security, 2010, “2008, 2009 Niandu Quanguo Ge

Both the Chinese state and workers' demand for higher disposable income have resulted in a continuous rise in minimum wages over the past decade. The World Bank reckons that China became an "upper middle income" country in 2011,²⁰⁵ noting the per capita income gains of the large population. In 2012, the International Monetary Fund similarly noted that China's per capita income was by no means among the world's lowest, although it showed that its income remained a small fraction of that of the developed countries, including those of East Asia. China had per capita income of US\$6,076 (ranked 87th), higher than Thailand at US\$5,678 (93rd), Indonesia at US\$3,910 (105th), the Philippines at US\$2,617 (125th), Vietnam at US\$1,528 (138th), and India at US\$1,492 (140th).²⁰⁶ It is nevertheless difficult to discern an upper middle income country when examining the average conditions of China's farmers, rural migrant workers, laid-off urban workers, and social security recipients.²⁰⁷ China's workers and farmers, still a very large population, lag far behind middle income standards.

On the Move: From Farm to Factory

Since the 1990s, internet technology and mobile communications have opened a window on the real and imagined city lifestyle for rural youth. Personal decisions to leave home are shaped by both socio-cultural and economic concerns. "Almost all

Shengqu Zuidi Gongzi Biaozhun Mingxibiao," 12 October (Chinese Provincial and Local Governments: A List of Minimum Wages in 2008 and 2009) 2008、2009 年度全國各省區最低工資標準明細表。

http://www.360doc.com/content/10/1012/22/3108136_60493748.shtml

Ministry of Human Resources and Social Security, 2012, "2011 Nian Quanguo Ge Diqu Zuidi Gongzi Biaozhun Qingkuang," 19 January (Chinese Provincial and Local Governments: A List of Minimum Wages in 2011) 2011 年全國各地區最低工資標準情況。

http://www.mohrss.gov.cn/SYrlzyhshbzb/ldbk/gongzishourufenpei/zuidigongzi/201201/t20120119_87287.htm

Ministry of Human Resources and Social Security, 2013a, "China Initiates New Round of Minimum Wage increases," 14 January.

<http://www.dezshira.com/updates/2013/01/china-initiates-new-round-of-minimum-wage-increases.html>

Ministry of Human Resources and Social Security, 2013b, "Shenzhen to Hike Minimum Wage Levels," 30 December.

<http://www.china-briefing.com/news/2013/12/30/shenzhen-to-hike-minimum-wage-levels.html>

²⁰⁵ The World Bank criterion for upper middle income countries is per capita income ranging from US\$4,086 to US\$12,615 in 2011.

http://data.worldbank.org/about/country-classifications/country-and-lending-groups#Low_income

The Bank calculates China's per capita income as US\$2,840 in 2002, rising to US\$8,400 in 2011.

<http://search.worldbank.org/data?qterm=china&language=EN>

²⁰⁶ International Monetary Fund, 2012, "List of Countries by Gross Domestic Product (Nominal) Per Capita." http://en.wikipedia.org/wiki/List_of_countries_by_GDP_%28nominal%29_per_capita

²⁰⁷ Dorothy J. Solinger, 2012, "The New Urban Underclass and its Consciousness: Is it a Class?" *Journal of Contemporary China* 21(78), pp. 1011-28.

the young people of my age had gone off to work, and I was excited to see the world outside too,” Tian Yu explained in my interview.²⁰⁸

Yu’s migratory experiences were shared by many Foxconn employees who comprise the new generation of Chinese rural migrant workers. She belonged to the generation of “left-behind children” in the 1990s as the rural-to-urban migration wave enveloped China’s countryside. She told me, “I was born into a farming family in February 1993 in a village,” which is now part of Laohekou (Old River Mouth) city. The city has a population of 530,000 in Hubei province, central China. Located on the Han River close to the Hunan provincial border, it would be liberated in the course of the anti-Japanese resistance of the 1940s. In recent decades, as in much of central and western China, its youth would depart en masse for the coastal cities and industrial jobs.

Yu’s grandmother brought her up while her parents were far away from home supporting the family as factory workers. Not unlike the hundreds of thousands of children who were left behind, she spent her early childhood “playing with other kids in the neighborhood,” with very little parental guidance. Eventually, her parents returned home to resume farming with just enough money to renovate the house. Yu, the eldest child, has a sister and a brother.²⁰⁹ She hoped, in the future, to be able to help look after her 12-year-old brother who was born deaf.

“At best my family could earn about 15,000 Yuan on the land in a year, hardly enough to sustain six people.” Growing corn and wheat on tiny parcels of land and keeping a few pigs and chickens, Yu said, “might not leave us hungry,” but making a better life is challenging if one seeks to eke out a living on the small family plot.

At age 16, upon completing a course at the local vocational school, Yu decided to leave home to seek new opportunities. “My school friends had all gone to big cities to work and I felt I should do the same.” Yu’s father said, “Farming is not a way out. Planting rice seedlings in the muddy field under the hot sun is back-breaking labor.”

²⁰⁸ Worker interviewee 1 (Tian Yu is her real name; her identity has been publicly known). I am very thankful for the University Research Group’s introduction. I maintained contact with Yu through QQ. QQ is an instant messaging program. QQ.com hosts an online community of hundreds of millions of users, most of them Chinese. Facebook and Twitter are blocked by the Chinese government.

²⁰⁹ The implementation of the “one-child policy” is stricter in large cities than in the countryside. Rural families commonly exceeded the state-imposed birth quota and have two to three children, although some of them were fined by the local authorities. Birth control has now been relaxed as China experiences the ageing problem in both the rural and urban regions.

Soon after the Spring Festival, the Chinese New Year, in early February 2010, Yu's father gave her 500 Yuan to support her search for work in booming coastal Guangdong province and a second-hand cell phone so that she could call home. He asked her to stay safe.

“My cousin brought me to the long-distance bus station. For the first time in my life I was far away from home, the place I was familiar with. Getting off the bus, my first impression of the industrial town was that Shenzhen was nothing like what I had seen on TV,” Yu recalled.

On 8 February 2010, Yu was employed as an assembly-line worker. At the Foxconn Recruitment Center, “I queued up for the whole morning, filled out the job application form, pressed my fingertips onto the electronic reader, scanned my identity card, and took a blood test to complete the health check procedures. Foxconn assigned me staff number F9347140.”

That same afternoon Yu received a company introduction about the working hours and rules and regulations at Foxconn's smaller Guanlan factory. “Then, I and hundreds of other new workers were taken to the larger Longhua factory, about an hour's ride on the company bus.” Yu recalled that the setting sun bathed the Foxconn facilities in golden light.

“I obtained a pocket-sized, color-printed Foxconn Employee Handbook,” Yu said. The Handbook is replete with morale-boosting language for new workers: “Hurry toward your finest dreams, pursue a magnificent life.”²¹⁰ Moreover, “at Foxconn, you can expand your knowledge and accumulate experience. Your dreams extend from here until tomorrow.”²¹¹ The instructor at employee orientation told stories of entrepreneurs like Apple chief Steve Jobs and Microsoft chairman Bill Gates to inspire new workers. Foxconn propagates this dream of riches through labor, the belief that success is possible through diligent work.

²¹⁰ *Chongci meihao mengxiang, zhuiqiu xuanli rensheng* (衝刺美好夢想，追求絢麗人生).

²¹¹ *Zai zheli, nin jiang dedao zhishi de touzhan, jingyan de jilei he zhihui de chuilian, ninde menxiang jiangcong zheli yanshen dao weilai* (在這裡您將得到知識的拓展，經驗的積累和智慧的錘鍊，您的夢想將從這裡延伸到未來).

Terry Gou's Foxconn Empire

Leadership is being decisive. Leadership is a righteous dictatorship.

Leadership is a battle between experimenting and practicality.

— Foxconn Founder and CEO Terry Gou²¹²

If Steve Jobs is the soul of Apple, Terry Gou is the Foxconn Empire's self-righteous dictator. "Terry is the most aggressive business person I've met in my life," remarked Michael Marks, former chief executive of Flextronics, the longtime competitor of Foxconn.²¹³ Foxconn's revenues are mainly derived from component processing and final assembly under contract with brand-name companies. The company is a leading *contract manufacturer* in the electronics industry.

Terry Gou, born in Taipei in 1950, set up a small plastic and metal processing company based at the Tucheng Industrial Zone in Taipei in February 1974 with the support of US\$7,500 from his mother.²¹⁴ He was acutely aware of the new opportunities created by Taiwan's export-led industrialization policy and the growth in trading activities in the post-war geopolitical and economic order. Before running his own business, he worked as a shipping clerk after graduating from a technical school in 1971.²¹⁵

Over four decades, CEO Terry Gou headed Hon Hai Precision Industry Company, known by its trade name Foxconn, winning successive battles "between experimenting and practicality" to become the top electronics manufacturer in the world. The name Foxconn alludes to the corporation's ability to produce connectors at "fox-like" speed. As of 2004, Taiwanese multinational Foxconn rose to become the industrial leader in electronics manufacturing, surpassed Flextronics before gaining a majority share of the world market.²¹⁶ In the coming decade, it expanded rapidly with new orders of iPhones in 2007 and iPads in 2010, among others. Despite employee suicides and continuing labor crises, *Fortune* Global 500 ranked

²¹² *Suowei lingdao, jiushi juece, jiushi ducai weigong, jiushi yichang shiyan he shijian de zhanzhen* (所謂領導，就是決策，就是獨裁為公，就是一場實驗和實踐的戰爭).

²¹³ Quoted in Ryan Mac, 18 March 2013, "Foxconn CEO Terry Gou on His Company's Growing Relationship with GoPro." *Forbes*.

<http://www.forbes.com/sites/ryanmac/2013/03/18/foxconn-ceo-terry-gou-on-his-companys-growing-relationship-with-gopro/>

²¹⁴ Foxconn Technology Group, 2014, "Group Profile."

http://www.foxconn.com/GroupProfile_En/GroupProfile.html

²¹⁵ Chen Run, 2010, *Fushikang Neimu* (Foxconn Insider)《富士康內幕》，Changsha: Hunan Literature and Art Publishing House, p. 233.

²¹⁶ Adam Pick, 30 May 2006, "Foxconn Takes Number One Rank in EMS [Electronics Manufacturing Services], iSuppli. <http://www.emsnow.com/npps/story.cfm?ID=19523>

Foxconn 60th in 2011, 43rd in 2012, and 30th in 2013, demonstrating the company's strong revenue growth. This is how Foxconn and millions of Chinese rural migrant workers have become deeply intertwined in global capitalism.

In January 2012, CEO Terry Gou held a one-week corporate planning workshop in the Taipei headquarters. One of the tasks he assigned senior executives was to watch the new film *Real Steel*. *Real Steel* is an American science fiction sports drama directed by Shawn Levy and released by DreamWorks Studios through Disney's Touchstone label. "In the past when I went to watch movies with my wife," Terry Gou said, "we always saw films she liked and I would just fall asleep. But [*Real Steel*] was very innovative and I think there are lots of ideas about robots and automation in there that are worth referencing."²¹⁷ In the film, human boxers have been replaced by robots. Terry Gou was excited by this glimpse of the future. One Foxconn production manager, Mr. Chen, told me that Terry Gou envisages trumping his rivals by creating a workplace where "steel-like men and women execute commands with the accuracy and precision of robots."²¹⁸

Later that month, noting that Foxconn has a workforce of over one million in China alone, Terry Gou exclaimed, "As human beings are also animals, managing one million animals gives me a headache."²¹⁹ He made this statement when he invited the director from the Taipei Zoo to lecture senior management on how to control different animals according to their individual temperaments. Foxconn workers and the public responded angrily. A 25-year-old worker Gu Chudanyang found Terry Gou's comments insulting. He posted an article entitled "My bitter life in Foxconn" on his blog:

Two days ago, [Terry] Gou said his employees are animals. I believe these are words from the bottom of his heart...He cares only about his profits, his customers, and his iPhones. He of course cannot feel the bitterness of our lives, the lives of the more than one million people.²²⁰

²¹⁷ Quoted in Robin Kwong, 20 January 2012, "Terry Gou: Managing '1m Animals,'" *Financial Times*.

<http://blogs.ft.com/beyond-brics/2012/01/20/terry-gou-managing-1-million-animals/#axzz24Gpqlfho>

²¹⁸ Manager interviewee 2.

²¹⁹ Quoted in Henry Blodget, 19 January 2012, "Managing One Million Animals Gives Me a Headache," Business Insider.

http://articles.businessinsider.com/2012-01-19/tech/30641922_1_foxconn-iphones-terry-gou

²²⁰ The blog post dated 17 January 2012 was entitled "*Wo zai Fushikang de kubi shenghuo*" (My Bitter Life in Foxconn) 我在富士康的苦逼生活, accessed online on 5 February 2012, then removed from *Nanfang Gongren Wang* (Workers in the South Net) 南方工人網.

Eventually the corporate public relations department issued an apology: “Mr. Gou did say that, since all humans are members of the animal kingdom, it might be possible to learn from [zoo director] Mr. Chin’s experience as his team looks for lessons that can be applied to business. Mr. Gou’s comments were directed at all humans and not at any specific group.”²²¹

At age 64, Terry Gou has consolidated his power at the summit of Foxconn’s global electronics empire. A 2012 company statement reads, “Gou is a very active and successful chairman” and “has no plans to relinquish those responsibilities.”²²²

The Rise of Foxconn’s Global Empire

“In twenty years,” some business executives suggested in 2010, just two companies will dominate global markets — “everything will be made by Foxconn and sold by Walmart.”²²³ Certainly, this is a wild exaggeration that ignores the central fact of Foxconn’s dependence on Apple and other international electronics firms. But it underlies Foxconn’s startling rise in East Asia. Foxconn, in brief, is the “electronic workshop of the world.”

The elevation of Foxconn from a processing factory to an industry leader followed its deepening integration into the regional and global economy, and its impressive technological advancement. In the 1970s, Foxconn made black and white television knobs and low-end plastic products for export to the United States. In the early 1980s, the company received its first contracts from American buyers to assemble connectors for Atari-brand video game-consoles.²²⁴ It purchased advanced machinery from the United States, Europe, and Japan to improve efficiency and manufacture electronic components on a large scale. Through reinvestment, improvement of customer services, research and development, acquisitions and mergers, and onshore as well as offshore relocation, Foxconn has ridden waves of

²²¹ Foxconn Technology Group, 20 January 2012, “Response to ‘Terry Gou: Managing ‘1m Animals.’”

<http://blogs.ft.com/beyond-brics/2012/01/20/terry-gou-managing-1-million-animals/#axzz24Gpqlfho>

²²² Quoted in Lorraine Luk, 9 March 2012, “New Concern at Apple Supplier Hon Hai: Succession,” *The Wall Street Journal*.

<http://blogs.wsj.com/chinarealtime/2012/03/09/new-concern-at-apple-supplier-hon-hai-succession/>

²²³ Frederik Balfour and Tim Culpan, 10 September 2010, “Everything is Made by Foxconn in Future Evoked by Gou’s Empire,” *Bloomberg*.

<http://www.bloomberg.com/news/2010-09-09/everything-is-made-by-foxconn-in-future-evoked-by-terry-gou-s-china-empire.html>

²²⁴ Kabir Chibber, 24 September 2012, “Foxconn: ‘Hidden Dragon’ Out in the Open,” *BBC*.

<http://www.bbc.co.uk/news/business-19699156>

successive revolutions in information and communications technology. By 2012, Foxconn had obtained more than 2,000 U.S. patents, ranking 8th at the international level.²²⁵

Foxconn was among the first overseas Chinese investors. As China opened up its economy to international trade, small and medium-sized Taiwan and Hong Kong enterprises brought in capital totaling US\$107.4 billion between 1982 and 1994, more than 70 percent of the realized foreign direct investment during the period.²²⁶ After the 1985 Plaza Accord,²²⁷ which caused Taiwan's currency to appreciate relative to the US dollar (up about 40 percent at the peak),²²⁸ entrepreneurs accelerated their move to China and Southeast Asia to reduce operating costs and secure big international orders.²²⁹ Following the Taiwanese capital outflow, and the sustained appreciation of the East Asian currencies, Japanese and Korean multinationals also relocated their assembly lines, above all to China, but also to Southeast Asia and South America. In China, while the inflow of foreign direct investment was minuscule in the 1980s, it has accelerated since the early 1990s.

CEO Terry Gou said, "My confidence comes from effort and experience. Even when prosperity turns bad, I still trust my ability."²³⁰ Describing the historical, cultural, and linguistic bonds between Taiwanese and mainland Chinese, one Foxconn production manager I spoke to saw the entry into China as "a milestone for Foxconn's international development."²³¹ In 1991, the company was listed on the Taiwan Stock Exchange²³² following its strategic move to Shenzhen in south China

²²⁵ Hon Hai Precision Industry Company, 2013, "Annual Report 2012," p.1.

http://www.foxconn.com/Files/annual_rpt_e/2012_annual_rpt_e.pdf

²²⁶ You-tien Hsing, 1998, *Making Capitalism in China: The Taiwan Connection*, New York: Oxford University Press, p. 8.

²²⁷ On 22 September 1985, the finance ministers and central bank governors from the United States, the United Kingdom, West Germany, France, and Japan signed an accord to control currency markets at the Plaza Hotel in New York City. The United States, then running enormous deficits, devalued its currency to make exports more competitive, while the Japanese yen and various East Asian industrializing economies' currencies were strengthened.

²²⁸ Gary G. Hamilton and Cheng-shu Kao, 2011, "The Asia Miracle and the Rise of Demand-Responsive Economies," *The Market Makers: How Retailers are Reshaping the Global Economy*, edited by Gary G. Hamilton, Misha Petrovic and Benjamin Senauer, Oxford: Oxford University Press, p. 207.

²²⁹ Hsin-Huang Michael Hsiao, I-Chun Kung and Hong-zen Wang, 2010, "Taishang: A Different Kind of Ethnic Chinese Business in Southeast Asia," *Chinese Capitalisms: Historical Emergence and Political Implications*, edited by Yin-wah Chu, Basingstoke: Palgrave Macmillan, pp. 156-75.

²³⁰ *Wo de xinxin yuanzi yu nuli yu jingyan. Suowei xinxin shi: Wulun jingqi zai huai, dou yao xiangxin ziji you nengli* (我的信心源自於努力與經驗。所謂信心是：無論景氣再壞，都要相信自己有能力).

²³¹ Manager interviewee 6.

²³² Foxconn Technology Group, 2014, "Company Milestones."

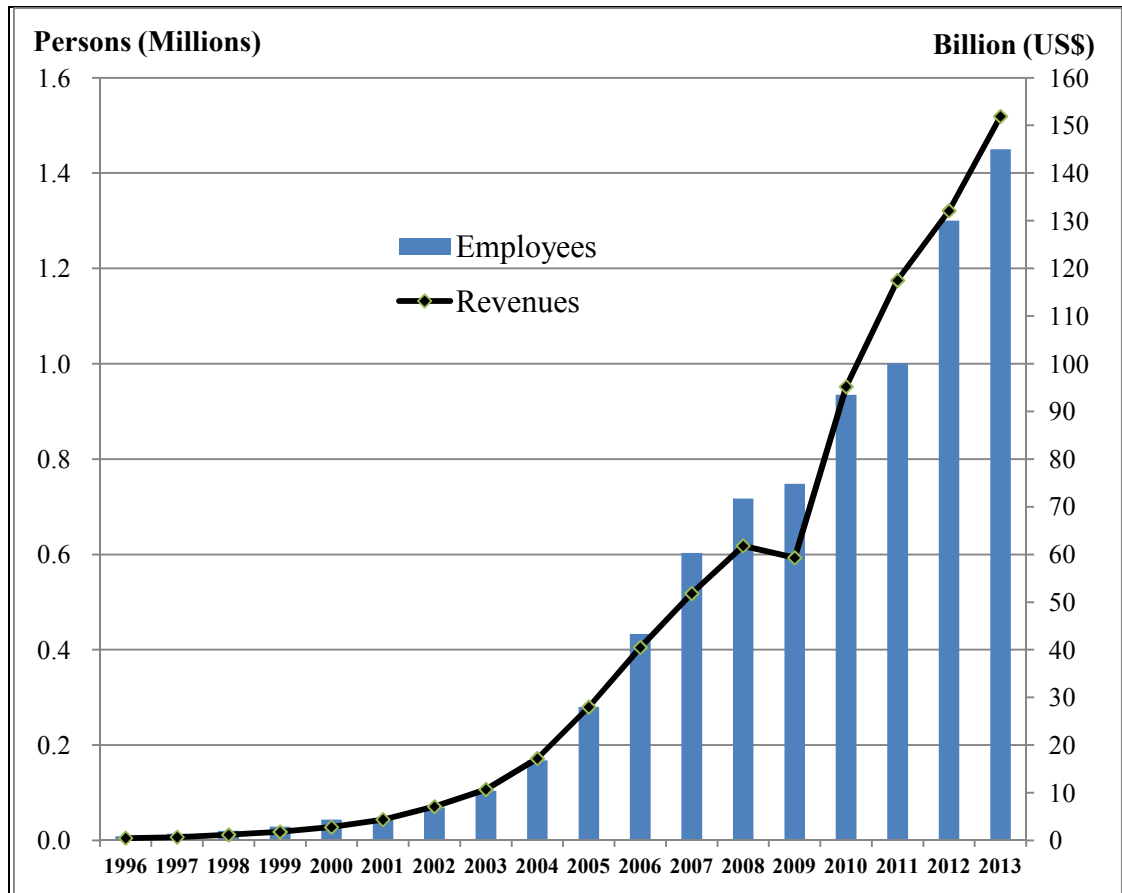
http://www.foxconn.com/GroupProfile_En/CompanyMilestones.html

in 1988. Today, the Taiwanese transnational corporation is the world's largest electronics manufacturer in "3C" products, including computers (laptops, desk-tops, tablet personal computers such as iPads), communications equipment (smartphones such as iPhones) and consumer electronics (digital music players, e-book readers such as Kindle, cameras, game-consoles, high-definition TVs). All these devices are increasingly connected and integrated in our homes and offices.

Foxconn began to report rapid growth since 1996 in its Social and Environmental Responsibility Annual Report and corporate website: as of 1996, according to the earliest publicly accessible company data, the company had 9,000 workers and staff worldwide, a figure that would quickly multiply. After reaching 100,000 employees in 2003, it grew to more than 700,000 in 2008 (see Figure 3.1). The resilience of Foxconn during the global economic downturn of 2008 is shown by the expansion of its labor force, which reached 1,000,000 in 2011, with fluctuations in seasonality of production and hiring of short-term employees such as student interns. In 2013, astonishingly, the company had more than 1.4 million employees, most of them in China. With new operations in northern, central, and western regions, Foxconn's workers and staff have continued to increase, together with the steep rise in revenues.

Foxconn generated a solid US\$59 billion in sales in 2009, only a slight drop of 4 percent from the previous year, when American and European demand for consumer electronics contracted during the 2008-09 financial recession (see Figure 3.1). Following Chinese government stimulus-led growth and economic recovery, in 2010, Foxconn registered a stunning 61 percent year-on-year increase in revenues to US\$95 billion. The employee suicides at Foxconn's China facilities that year, and the subsequent pay rise, did not seem to impact on revenues.

Figure 3.1 Foxconn Employees and Revenues, 1996-2013*



*The earliest publicly accessible company data on employees and revenues was dated to 1996. Sources: Foxconn Corporate Social and Environmental Responsibility Annual Reports (2009: 11; 2010: 5; 2011: 4; 2012: 3; 2013: 4, 12).

In 2012, even in the midst of European government austerity measures and international economic uncertainty, Foxconn attained far higher annual revenues (US\$132 billion) than many of its corporate customers,²³³ with the important exception of Apple (US\$156.5 billion).²³⁴ In 2013, Terry Gou maintained the company’s revenue growth target of 15 percent,²³⁵ hitting US\$152 billion, thanks to the large orders of Apple and other clients.

Foxconn’s Development in China

Foxconn has attained steady growth at a time when China loosened its restrictions on rural-to-urban labor migration and encouraged exports in labor-intensive industries. In China’s transformation from central planning to a market-oriented economy, and

²³³ Manager interviewees 3 and 8.

²³⁴ Apple, 2012, “Annual Report for the Fiscal Year Ended September 29, 2012,” p. 24. <http://investor.apple.com/secfiling.cfm?filingID=1193125-12-444068&CIK=320193>

²³⁵ Manager interviewee 4.

from state-sector dominated industry to one in which state, foreign, and local private capital competed, local officials prioritized attracting new investments and construction projects, thus stimulating economic growth and creating new jobs.²³⁶ From the late 1980s to early 2014, Foxconn built more than 30 manufacturing complexes in Beijing, Shanghai, Tianjin, Chongqing, and in 15 provinces throughout China (see Map 3.1). Its new regional headquarters and high-tech research and development centers are based in Pudong, Shanghai.

Map 3.1 Foxconn’s Locations in Greater China



Note: Foxconn has more than 30 factories across the Chinese mainland.

Sources: Foxconn Technology Group company websites.

Haiyang (which literally means “the ocean”), one of the first wholly-owned Foxconn

²³⁶ Robert Weil, 1996, *Red Cat, White Cat: China and the Contradictions of “Market Socialism,”* New York: Monthly Review Press; Robert Weil, 2008, “City of Youth: Shenzhen, China,” *Monthly Review*, Vol. 60, Issue 2 (June). <http://monthlyreview.org/2008/06/01/city-of-youth-shenzhen-china>

subsidiaries, was located in Xixiang Town in Shenzhen.²³⁷ It began with a workforce of 150 migrants from rural Guangdong, including approximately 100 young women.²³⁸ Following the typical industrial model of a factory-cum-dormitory in China, the first floor of the all-in-one factory compound was a canteen, the second to fifth floors the production lines, and the sixth floor the dormitory for workers. This multi-functional architecture with workers living in close spatial proximity to the factory floor can help meet production deadlines by facilitating overtime work.²³⁹

From the outset, Foxconn used the “dormitory labor system” to maximize control of the migrant labor force by bringing together the production site with workers’ living quarters within the company compound or immediately adjacent to it.²⁴⁰ This design of “living at work” is also geared to lowering production costs.²⁴¹ Maintaining dormitories in which a dozen workers share a room costs the employer far less than the wages necessary for workers to find their own individual or family housing. In Foxconn and many neighboring workplaces, employers reduce costs even more by deducting dormitory housing fees from workers’ wages.²⁴²

Foxconn strives to reduce the amount of stock warehoused at any time to reduce storage costs. In the 1990s the company diversified its production lines and locations in step with Deng Xiaoping’s 1992 call²⁴³ to prioritize the coastal regions to spearhead

²³⁷ Manager interviewee 12.

²³⁸ Worker interviewees 5, 10, and 15.

²³⁹ Substandard industrial structure and poor fire safety measures, however, can be life threatening. In early industrialization history under the market reform, it was widely believed that the Zhili toy factory disaster in Shenzhen claimed the greatest fire death toll in the first 13 years since the Open Door Policy in China. The tragedy was yet preventable. In January 1993, ten months before the disaster, the Shenzhen municipal fire prevention authority had found that the “warehouse-dormitory-shop floor” (three-in-one) factory had obstructed passageways and locked fire exits, and thus was an extremely dangerous workplace. As many as 13 modifications were recommended, and a deadline for correction was set. Nevertheless, to minimize the cost of renovation and the perceived disruption to production, the factory manager bribed the fire authority and obtained a certificate of safety. In November 1993, the fire “accident” took place and killed 87 rural migrant workers.

²⁴⁰ Pun Ngai, 2007, “Gendering the Dormitory Labor System: Production, Reproduction, and Migrant Labor in South China,” *Feminist Economics* 13(3-4), July/August, pp. 239-58; Pun Ngai and Jenny Chan, 2013, “The Spatial Politics of Labor in China: Life, Labor, and a New Generation of Migrant Workers,” *The South Atlantic Quarterly* 112(1), pp. 179-90.

²⁴¹ Chris Smith, 2003, “Living at Work: Management Control and the Dormitory Labour System in China,” *Asia Pacific Journal of Management* 20(3), pp. 333-58.

²⁴² This is based on my interviews with workers from Foxconn and neighboring factories, as well as a review of the job ads and employment terms and conditions. See chapter 7 in this dissertation for further discussions.

²⁴³ On Deng Xiaoping’s 1992 “Southern Tour” and the accelerated reforms that followed, see for example, Ezra F. Vogel, 2011, *Deng Xiaoping and the Transformation of China*, Cambridge, MA: Belknap Press of Harvard University Press; Wang Hui, 2003, *China’s New Order: Society, Politics, and Economy in Transition*, edited by Theodore Hutters, translated by Theodore Hunters and Rebecca Karl, Cambridge, MA: Harvard University Press.

export-oriented development. It began to assemble personal computer enclosures and servers, alongside connectors and cables. Major production clusters were established in two coastal regions: the Pearl River Delta in the south and the Greater Shanghai Delta in the east. Longhua (Shenzhen) and Kunshan (Jiangsu) “work together to respond quickly to the fast-growing computer market,” manager Chen remarked.²⁴⁴

Since the early 2000s, Foxconn, benefiting from economies of scale, moved to new industrial parks to tap into low-cost labor, abundant land, and natural resources, such as metal for component processing. In 2001, Foxconn set up a cell phone assembly base in Beijing, the national capital. It also donated 300 million Yuan to co-found the Tsinghua-Foxconn Nanotechnology Research Center at Tsinghua University, China’s MIT.²⁴⁵ The joint center in Beijing, the heart of Foxconn’s technological innovation complex, emphasizes nanotechnology, heat transfer, wireless networks, optical plating techniques, new materials, new energy, biotechnology, advanced surface mount technology, network chips technology, and robot technology. More recently, the researchers have formed a team to connect different electronics devices under an integrated computing and storage “cloud service.” This is crucial to advance the company’s manufacturing capacity and engineering strategy.²⁴⁶

In expanding to Beijing, Shanghai (in 2003), Tianjin (in 2005) and subsequently to other cities in northeast China, Foxconn negotiated with local governments to provide important subsidies that enable it to compete with large state firms and domestic private companies. Shanghai, for example, provided Foxconn with “a huge tract of land with roads and other infrastructure including optical cable as well as water, power and gas utilities” to facilitate the relocation of technology-intensive firms to the east.²⁴⁷ As Foxconn expands its investment to new localities, it enjoys favorable treatment and protection from local governments, in much the same way as strategic state-owned technology-intensive enterprises enjoy privileged access to scarce national resources and state subsidies.²⁴⁸

²⁴⁴ Manager interviewee 2.

²⁴⁵ *The Foxconn Bridgeworkers*, 30 June 2011, “*Tsinghua—Fushikang Nami Jishu Yanjiu Zhongxin*” (清華—富士康納米技術研究中心), Vol. 189, p. 24. Tsinghua-Foxconn Nanotechnology Research Center is a co-operation with Foxconn Technology Group, working toward the establishment of an international advanced nanotechnology research base, leveraging Tsinghua University’s sciences and talents and Foxconn’s industrialization. The Center conducts research on basic and applied nanotechnology to create new technology and push nanotechnology achievements for industrialization and promote new talents.

²⁴⁶ Manager interviewee 8.

²⁴⁷ Tse-Kang Leng, 2005, “State and Business in the Era of Globalization: The Case of Cross-Strait Linkages in the Computer Industry,” *The China Journal* 53 (January), p. 70.

²⁴⁸ Dieter Ernst and Barry Naughton, 2008, “China’s Emerging Industrial Economy: Insights from the IT Industry,” *China’s Emergent Political Economy: Capitalism in the Dragon’s Lair*, edited by

In many provinces, Foxconn runs multiple manufacturing facilities. At CEO Terry Gou's ancestral home province in north China's Shanxi, for instance, Foxconn opened three large factories in Taiyuan, Jincheng, and Datong in 2004, 2006, and 2012, respectively.²⁴⁹ From 2007 through the present, under a rustbelt revival program, Foxconn has invested in manufacturing car parts and digital machine tools in Shenyang and Yingkou cities of Liaoning province in China's northeast. Traditionally a heavy industrial and military base, the regional economy (Liaoning, Jilin, and Heilongjiang) is being radically restructured with a diverse range of new industries and services forming clusters of large-scale supplier networks.

Going West

Different parts of China have vastly different living standards. There is a regionally differentiated minimum wage and benefits regime with prosperous eastern coastal areas highest and poverty-stricken inland areas lowest, especially in the far west. Many of the new subsidiaries of multinational corporations are now producing from inland China, alongside the traditional regions for export-oriented manufacturing on the eastern, southeastern, and northeastern coasts. Foxconn's "going west" exemplifies this trend. Foxconn Chengdu and Chongqing are among the fastest growing enterprises in western China, respectively.²⁵⁰ Such phenomenal growth has been made possible in part by the close collaboration of Foxconn with local governments.

In the 1990s, central government leaders, who were becoming concerned about widening income inequalities between and within regions and the political challenges these posed for regime stability, aimed to rebalance the economy by promoting growth in central and western provinces.²⁵¹ Massive state investments in infrastructure, often debt financed, subsidize corporate relocations and "drive capitalist development westward," in the words of Christopher McNally.²⁵² The broad objectives of the West China development strategy, targeting Sichuan, Chongqing, Shaanxi, Gansu, Inner Mongolia, Qinghai, Ningxia, Xinjiang, Yunnan,

Christopher A. McNally, London: Routledge, pp. 39-59.

²⁴⁹ Manager interviewees 9 and 10.

²⁵⁰ Li Changjiang and Jenny Chan, 2012, "*Fushikang Zouchu Xibu*" (Foxconn: Going West) 〈富士康走出西部〉, *Wo zai Fushikang* (Working in Foxconn) 《我在富士康》, edited by Pun Ngai, Lu Huilin, Guo Yuhua, and Shen Yuan, Beijing: Intellectual Property Rights Press.

²⁵¹ Victor Shih, 2004, "Development, the Second Time Around: The Political Logic of Developing Western China," *Journal of East Asian Studies* 4(3), pp. 427-51.

²⁵² Christopher A. McNally, 2004, "Sichuan: Driving Capitalist Development Westward," *The China Quarterly* 178 (June), pp. 426-47.

Guizhou, Guangxi, and Tibet, also include preservation of forests and water resources, promotion of ethnic unity and social integration, and general improvement of education, health care, and economic conditions in a region that has lagged behind the coastal regions.²⁵³

Since the mid 2000s, in sync with the Chinese government's western development policy, Intel,²⁵⁴ HP,²⁵⁵ Dell,²⁵⁶ Foxconn, and other companies have looked to move their operations to substantially lower-wage regions.²⁵⁷ A company recruitment slogan reads, "Work at Foxconn and swiftly move toward a prosperous life."²⁵⁸ Young people from the countryside as well as local college graduates compete for good jobs in the hope to "move toward a prosperous life."

Foxconn Chengdu

The Foxconn Chengdu plant was opened in October 2010. I first traveled to Sichuan in March 2011, when the Foxconn factory, while still under construction, was making the first and second generations of iPads. CEO Terry Gou warmly praised the government, "I'm very much impressed by the efficiency of local government departments that led to the start of the project...Foxconn will add investment to make the [Chengdu] factory one of Foxconn's key production bases in the world."²⁵⁹ Workers and staff at Foxconn Chengdu exclusively serve Apple.

²⁵³ Harry Hongyi Lai, 2002, "China's Western Development Program: Its Rationale, Implementation, and Prospects," *Modern China* 28 (October), pp. 432-66; Qunjian Tian, 2004, "China Develops its West: Motivation, Strategy and Prospect," *Journal of Contemporary China* 13(41), pp. 611-36; David S. G. Goodman, 2004, "The Campaign to 'Open Up the West': National, Provincial-Level and Local Perspectives," *The China Quarterly* 178 (June), pp. 317-34.

²⁵⁴ In Chengdu, provincial capital of Sichuan, Intel set up a chipset assembly and testing facility in 2005, and one year later a computer microprocessor plant. It also has manufacturing complexes in Shanghai, a wafer fabrication facility in Dalian (a port city in Liaoning), and sales and marketing offices in Beijing and Shenzhen.

²⁵⁵ In 2008, HP announced plans to build a desktop and notebook computer manufacturing facility in Shapingba District, Chongqing, which was opened in 2010. The company also has assembly plants in Shanghai and sales support units in Shenzhen, Beijing, Tianjin, and Guangzhou.

²⁵⁶ In 2013, Dell launched a manufacturing center in the Chengdu High-Tech Zone in Sichuan, expanding its existing production operations in Xiamen, located in coastal Fujian.

²⁵⁷ Andrew Ross, 2006, *Fast Boat to China: Corporate Flight and the Consequences of Free Trade — Lessons from Shanghai*, New York: Pantheon Books.

²⁵⁸ *Jiye Fushikang, shenghuo ben xiaokang* (就業富士康，生活奔小康).

²⁵⁹ Quoted in *Chengdu Weekly*, 2 January 2011, "Chengdu Factory's iPad Capacity to Reach 100 Million Units in 2013." <http://www.chengduhitech.co.uk/Trends/News.asp>



Local governments in Sichuan set up recruitment counters at Chengdu railway station to assist Foxconn (Chengdu) in hiring workers. Photo credit: Jenny Chan.

Foxconn’s local influence has become so great that CEO Terry Gou is widely known among the workers as the “Mayor of Foxconn City.” A 17-year-old Sichuanese worker commented in my interview: “Foxconn is hiring, and the whole city has gone crazy. Local officials grab people and ask if they’d be willing to work at Foxconn. The government has made it an official task. Officials at each level have a recruitment quota. Isn’t this crazy?”²⁶⁰

At the government administrative building in Hongguang Town in Pi County, Chengdu, employment officers helped walk-in job applicants fill out the forms and arrange interviews at Foxconn Chengdu. Such free administrative services lowered corporate recruitment costs. A 29-year-old Foxconn human resources manager Mr. Ding explained to me, “Over a few drinks and shared cigarettes, Foxconn managers and local government officials regularly updated each other on the company’s recruitment schedules, thereby establishing a good working relationship.”²⁶¹ The result was that in the first six months of Foxconn Chengdu’s operation, the original iPads and upgraded iPad 2s were assembled in the new plant, alongside iPad workshops in Foxconn Shenzhen, thereby raising the total output to an unprecedented level.

²⁶⁰ Worker interviewee 41.

²⁶¹ Manager interviewee 4.



A government office of employment and social security service is transformed into a designated Foxconn recruitment station at Hongguang Town, Pi County (in Chengdu city, Sichuan). Photo credit: Jenny Chan.

From the latter half of 2010, village, township, city, and provincial level governments all offered Foxconn — the largest investor to date,²⁶² various kinds of support including the provision of a dormitory “comprehensive living zone”, factories, and transportation service. Mr. Zhan, a middle-aged township-level government official, informed me, “We pledged to collaborate with Foxconn [Chengdu] to create jobs. We arranged transportation service for Foxconn at a discounted rate.”²⁶³ In the years since the 7.9 magnitude earthquake struck Sichuan in May 2008, which killed at least 70,000 people and injured 375,000, the provincial government has made efforts to attract investments to fund reconstruction. Between 2009 and 2010, Foxconn moved to set up massive assembly lines in the Chengdu-Chongqing Economic Zone.

²⁶² *Xinhua*, 22 October 2010, “Foxconn Opens New US\$2 Billion Plant in Southwest China.” http://www.china.org.cn/business/2010-10/22/content_21182867.htm

²⁶³ Government official interviewee 4.

Besides underwriting Foxconn's hiring,²⁶⁴ local governments have provided subsidized transportation services for Foxconn Chengdu. Living in the factory dormitory located in Deyuan Town, Pi County, Foxconn workers commute to work by public bus, which has been efficiently converted into a private company bus.



The banner reads, “Use the fighting spirit against earthquakes and natural disasters to provide transportation for Foxconn.” Local governments contract public transportation service for Foxconn. The public bus becomes a Foxconn company bus in Pi County, Chengdu city, Sichuan. Photo credit: Jenny Chan.

The Sichuan provincial government, which already hosts 1,500 Taiwanese enterprises, bid to secure the construction of the gigantic Foxconn Chengdu production complex and high-rise dormitories, designating it as its “Number One Project.”²⁶⁵ Local governments waived a significant amount of rent and corporate tax for Foxconn and other investors, depending on specific locations (lowered from a

²⁶⁴ See for example, the People's Government of Guangyuan (Sichuan), 9 November 2011, “Guangyuan Shi quanmian chao e wancheng Fushikang renli ziyuan zhaomu renwu” (The People's Government of Guangyuan Far Achieves the Foxconn Human Resources Recruitment Quotas) 廣元市全面超額完成富士康人力資源招募任務. <http://www.cngv.gov.cn/ht/2011/11/123405.html>

²⁶⁵ Sichuan Provincial People's Government, 5 May 2011, “Sichuan: Top Choice of Taiwan Enterprises.” <http://www.sc.gov.cn/10462/10758/10760/10765/2011/5/5/10160504.shtml>

standard 25 percent to 16-18 percent).²⁶⁶ Foxconn Chengdu had more than 120,000 employees in December 2011, making it the largest employer in the city in its first year of operation, and it grew to nearly 180,000 in December 2012.²⁶⁷ The number of workers continues to grow.

Foxconn's Expansion Plan: "China Rooted, Global Footprint"

Foxconn CEO Terry Gou proclaims that "China is not the only one globalizing."²⁶⁸ Indeed, the company well illustrates the ways in which this proposition extends across the former socialist societies and throughout the developing world and beyond. Foxconn currently has more than 200 subsidiaries in Asia, the Americas, Europe and other parts of the world,²⁶⁹ but the overseas Foxconn operations are dwarfed by the Chinese mega-factories.²⁷⁰

Operations outside China for the most part provide quick turnaround on orders, reduce transportation costs, and avoid import taxes. As early as 1985, CEO Terry Gou successfully registered a small firm offshore in the United States, even before setting up the Shenzhen factories in south China adjacent to Hong Kong. Foxconn's American branch office is located in California to serve its market.²⁷¹ At the turn of this century, Foxconn further invested in European electronics industrial sectors. Between 2000 and 2013, at regional headquarters in the Czech Republic, the multinational labor force in the Pardubice and Kutna Hora plants grew to 5,500 employees,²⁷² including Czechs and immigrants from Bulgaria, Romania, Poland, Ukraine, Vietnam, Mongolia, and other countries. All three Foxconn factories in the Czech Republic and adjacent Slovakia had a combined labor force of less than 10,000, with regular and temporary workers hired by recruitment agencies, the former earning wages of 600-700 Euros per month compared with 400-500 Euros for the latter.²⁷³ More recently, in Latin America, 6,000 Brazilian workers assemble

²⁶⁶ Government official interviewee 1.

²⁶⁷ Manager interviewee 14.

²⁶⁸ *Dalu bushi quanqiu hua de weiyi* (大陸不是全球化的唯一).

²⁶⁹ Foxconn Technology Group, 2013, "Foxconn Social and Environmental Responsibility Annual Report 2012," p. 4. <http://ser.foxconn.com/ViewAnuReport.do?action=showAnnual>

²⁷⁰ Manager interviewee 1.

²⁷¹ Manager interviewee 12.

²⁷² Foxconn Technology Group, 2013, "In Response to *c't Magazine* 21/13."

<http://www.heise.de/ct/artikel/Shenzhen-an-der-Elbe-1960336.html?artikelseite=7>

²⁷³ Rutvica Andrijasevic and Devi Sacchetto, 5 June 2013, "China May Be Far Away but Foxconn is on Our Doorstep," *Open Democracy*.

<http://www.opendemocracy.net/rutvica-andrijasevic-devi-sacchetto/china-may-be-far-away-but-foxconn-is-on-our-doorstep>

iPhones and iPads for Apple and earn US\$550 per month as of 2012.²⁷⁴

China, however, remains crucial to Foxconn's global profile. Foxconn aims to disperse and contain labor unrest to ensure high-speed production and high-volume outputs. One production manager explained in an hour-long interview:

When work stoppages occur in one workshop or factory, we can shift orders to other facilities to minimize losses and reduce vulnerability to worker actions. We seek to build a total supply chain based in China — extending from raw material extraction, processing, to final assembly. We do this at high efficiency and low cost.²⁷⁵

When Foxconn's iPad-casing polishing workshop exploded in the Chengdu factory on 20 May 2011, managers quickly reorganized its routine and geared up for the iPad production at the Shenzhen facilities, thus minimizing disruption following the temporary shut down.²⁷⁶ More recently in late September and early October 2012, Foxconn immediately moved the iPhone 5 orders from rioting Taiyuan plant and striking Zhengzhou final-assembly workshops to Shenzhen and overseas facilities in Brazil, thereby maintaining its overall production flexibility despite delays in meeting the tight schedules.²⁷⁷ This spatial integration and transferability of production tasks across geographical regions is a cutting edge of the Foxconn model.

The company's business strategy and expansion plan is aptly summarized in a slogan, "China rooted, global footprint."²⁷⁸ Thus far Foxconn's rise has been accompanied by a relentless global expansion, but China remains the heart of its corporate empire and the core of its profitability.

Concluding Remarks

By the mid-1990s, Beijing's Zhongguancun Science Park and Shanghai's Zhangjiang Hi-Tech Park became prominent technology powerhouses, building on foundations of technical and industrial development and local government support.²⁷⁹ As foreign

²⁷⁴ Lisa Wang, 20 September 2012, "Foxconn Invests More in Brazil," *Taipei Times*.
<http://www.taipeitimes.com/News/biz/archives/2012/09/20/2003543171>

²⁷⁵ Manager interviewee 7.

²⁷⁶ See chapter 4 in this dissertation for further discussions.

²⁷⁷ See chapter 9 in this dissertation for further discussions.

²⁷⁸ *Zhagen Zhongguo, yunchou quanqiu* (紮根中國，運籌全球).

²⁷⁹ Adam Segal, 2003, *Digital Dragon: High-Technology Enterprises in China*, Ithaca, NY: Cornell University Press; Zhou Yu, 2008, *The Inside Story of China's Hi-Tech Industry: Making Silicon Valley in Beijing*, Lanham, MD: Rowman and Littlefield.

direct investments have been increasing, export-led industries in the coastal areas have been shifting inland. At the turn of the millennium, the Chinese state intervened to rebalance the economy by initiating the “go west” project, through which financial and human resources were channeled to central and western provinces. Andrew Ross concludes from his research on global IT service outsourcing to China that “in Chengdu,” the gateway to consumer markets in southwestern regions, “it was impossible not to come across evidence of the state’s hand in the fostering of high-tech industry.”²⁸⁰ Indeed, preferential treatment by local governments has facilitated the growth of transnational corporations since the 1980s. In my empirical study, Foxconn’s expansion is intertwined with the Chinese state’s development through market reforms, and it has followed the national trajectory from coastal to inland locations in recent years.

The Foxconn supply network now sprawls across China in a search for cheaper and more pliant labor and more favorable conditions from local governments. Exploiting wage differentials and uneven geographical development, Foxconn management shifts laborers from one site to another to fulfill production needs contingent on supplies of labor and raw material access. Foxconn’s competitive advantage, the basis for securing contracts with Apple and other brand-name multinationals, hinges on its ability to turn around production quickly and reliably, and to adapt to changes in demand, while maintaining low costs. To this end, Foxconn has built a mega production network featuring vertical integration and flexible coordination across different facilities and 24-hour continuous assembly.

Foxconn and other large manufacturers succeed to bid contracts from global companies, which source components and finished products from China and other emergent economies. This international outsourcing and globalization of high-tech industrial production, together with little protective regulation and more market liberalization, has profound consequences on the hopes, dreams, and struggles of many young factory workers. In the next chapter we specifically look at Apple, Foxconn’s biggest single customer, and the relationship between the two mega-corporations.

²⁸⁰ Andrew Ross, 2006, *Fast Boat to China: Corporate Flight and the Consequences of Free Trade – Lessons from Shanghai*, New York: Pantheon Books, p. 218.

Chapter 4

The Foxconn-Apple Connection

An Apple a day keeps the rivals away...Steve Jobs knew what the world would want before the world wanted it...[Apple] will continue to remain a market leader for many years to come.

— Brand Finance, 2012²⁸¹

Apple²⁸² leapfrogged Google in 2012, and Samsung in 2013, to become “the world’s most valuable brand.”²⁸³ The magnitude of Apple’s commercial success is paralleled by, and based upon, the scale of production in its supply chain factories, the most important of them located in Asia.²⁸⁴ As the principal manufacturer of products and components for Apple, Taiwanese company Foxconn has grown to become the largest private employer in China.²⁸⁵ Arguably, then, just as Apple has achieved a globally dominant position, so too have the fortunes of Foxconn been entwined with Apple’s success, facilitating Foxconn’s rise to become the world’s largest electronics contractor.

Foxconn is the largest outsourced electronics manufacturer “by a factor of nearly four compared to its closest competitor,” so much so that the market growth of the entire industry is highly correlated to the growth of Foxconn, and to Foxconn’s largest customers.²⁸⁶ If Apple’s edge lies in technological innovation, design, and marketing, its success is inseparable from its network of efficient suppliers, and vice versa. “Approximately 40 percent of Foxconn revenues are from Apple,” a Foxconn production manager reported.²⁸⁷ Beginning from 2002, Foxconn has been serving as

²⁸¹ Brand Finance, 2012, “An Apple a Day Keeps the Rivals Away,” pp. 31-32.

http://www.brandfinance.com/images/upload/bf_g500_2012_web_dp.pdf

²⁸² On writing about the company history of Apple, I draw from publicly accessible information, including Apple’s reports, financial statements, press statements, ads, and websites. I also refer to business and management books on Apple, scholarly articles, and journalistic accounts.

²⁸³ The world’s most valuable brand is Apple, followed with Samsung (2nd), Google (3rd), and Microsoft (4th), See Brand Finance, 2014, “Brandirectory: Ranking the World’s Most Valuable Brands.” http://brandirectory.com/league_tables/table/global-500-2014

²⁸⁴ Apple, 2013, “Annual Report for the Fiscal Year Ended September 28, 2013,” p. 7.

http://files.shareholder.com/downloads/AAPL/2228807434x0x701402/a406ad58-6bde-4190-96a1-4cc2d0d67986/AAPL_FY13_10K_10.30.13.pdf

²⁸⁵ Manager interviewee 14.

²⁸⁶ Thomas Dinges, 31 October 2012, “Is there Trouble on the Horizon for Contract Manufacturers?” EBN (The Premier Online Community for Global Supply Chain Professionals).

http://www.ebnonline.com/author.asp?section_id=1096&doc_id=253427

²⁸⁷ Manager interviewee 9. Another 20 percent of Foxconn revenue comes from HP, with the rest provided by such multinational clients as IBM, Microsoft, Google, Dell, Amazon, Samsung, Sony, and Nintendo.

a component maker and final assembler for Apple for more than 12 years.²⁸⁸ In this chapter I focus on Apple as Foxconn's largest and most important customer.

The separation of manufacturing activities from the core business of branded merchandisers and retailers has evolved into complex supply chains on a global scale. When global firms utilize technological and logistic resources to create new, more profitable sales markets, they actively bring in manufacturers, service providers, and workers around the world to serve their profit-maximizing ends. Industry analyst Thomas Dinges summarizes that manufacturing operations in China were responsible for "more than 75 percent of aggregate [electronics manufacturing services] industry growth in 2010 [US\$347 billion], and the country is expected to continue carrying the burden of driving worldwide growth."²⁸⁹ Chinese labor gains through manufacturing and assembly in supplier factories, however, remain far *lower* than the profits accrued by high-end component suppliers and premier global buyers.²⁹⁰ From a labor perspective, Edna Bonacich and Gary Hamilton critically point out that "market-making is not a benign process."²⁹¹ At stake are not only new opportunities for market exchange through an international division of labor, but the reconfiguration of labor relations and value distribution in global capitalism.

Apple: The World's Most Valuable Brand

On 29 June 2007, when Apple launched the long-awaited iPhone, a smartphone with touch controls and internet communications capability, consumers camped out for days in front of Apple stores in North America in the hope of becoming among the first to possess the "revolutionary mobile phone."²⁹² Fast forward to China. At about eight in the morning on 17 March 2010, a 17-year-old worker, Tian Yu, went to the window of her dorm room at the Foxconn factory in Shenzhen and threw herself

²⁸⁸ Manager interviewee 12.

²⁸⁹ Thomas Dinges, 24 January 2011, "Electronics Contract Manufacturing Market Growth Slows in 2011," iSuppli.

<http://www.isuppli.com/Manufacturing-and-Pricing/News/Pages/Electronics-Contract-Manufacturing-Market-Growth-Slows-in-2011.aspx>

²⁹⁰ John Smith, 2012, "The GDP Illusion: Value Added versus Valued Capture," *Monthly Review* 64(3), July-August. <http://monthlyreview.org/2012/07/01/the-gdp-illusion>.

²⁹¹ Edna Bonacich and Gary G. Hamilton, 2011, "Global Logistics, Global Labor," *The Market Makers: How Retailers are Reshaping the Global Economy*, edited by Gary G. Hamilton, Misha Petrovic and Benjamin Senauer, Oxford: Oxford University Press, p. 230.

²⁹² As early as 9 January 2007, Apple announced the invention of iPhone in MacWorld, San Francisco.

<https://www.apple.com/pr/library/2007/01/09Apple-Reinvents-the-Phone-with-iPhone.html>

from the fourth floor.²⁹³ Miraculously Yu survived, but suffered three spinal fractures, four hip fractures, and was left paralyzed from the waist down. Her job at the factory had been her first, and probably will be her last. Just a little over a month earlier, she had come to Shenzhen city, the fast-rising megalopolis adjacent to Hong Kong from a farming village in the central province of Hubei. She quickly landed a job at Foxconn. Working on an Apple product line of Foxconn's iDPBG (integrated Digital Product Business Group), Yu was responsible for spot inspections of glass screens to see whether they were scratched. An ever shorter production cycle and finishing time placed intense pressures on Yu and her co-workers. Many more would follow Yu in attempting to end their lives, even as global consumers raced to consume new generation electronic products as if there was no tomorrow.

The electronic communications innovations spearheaded by Apple, but with competitors such as Samsung in hot pursuit, have won numerous admirers, even worshippers. We can speak of a veritable cult of Apple, with millions tracking each corporate unveiling of a new design. Indeed, the iPhone would quickly transform the world of personal communications by bringing together many of the features of the computer, the internet, the telephone, the camera, the sound and video system and social media (such as Facebook and Twitter). Even as Apple faces fierce market competition, it remains a financial juggernaut and one of the world's most admired companies. How did Apple become a legendary company in such a short time?

Steve Jobs and Apple's Rebirth

Apple Computer, co-founded in 1976 by Steve Jobs (1955-2011) and Steve Wozniak, initially mounted a user-friendly challenge to IBM's computer.²⁹⁴ The company was incorporated in 1977 with headquarters in Cupertino, California in the heart of Silicon Valley. In 2007, Apple Computer changed to Apple Inc. Elimination of the word "Computer" reflected the company's redirection and burgeoning product lines as well as its penchant for simplification.

Like IBM, the original Apple Macintosh computers were not only designed but produced in the United States. Although Macs set new design and software standards and carved out a small part of the burgeoning personal computer market during the

²⁹³ Worker interviewee 1. In the last chapter, I briefly introduced her to illustrate rural labor outmigration. Like many millions of rural young people, Tian Yu sought urban employment and a new life in China's burgeoning industrial centers.

²⁹⁴ Walter Isaacson, 2011, "Odd Couple: The Two Steves," *Steve Jobs*, London: Little, Brown Book Group, ch. 2.

1980s, IBM continued to dominate and Apple quickly faced financial problems. “In its darkest days, when Apple was dangerously close to being irrelevant,” Adam Lashinsky writes in *Inside Apple*, “its institutional psyche retained the pride of having pioneered the personal computer.”²⁹⁵ But in the mid-1990s, the company stood at the brink of bankruptcy.

“Think Different” was the tagline of an Apple branding campaign in 1997. The ad, with characteristic Apple brashness, features Apple CEO Steve Jobs alongside Albert Einstein, Martin Luther King, Jr., Mahatma Gandhi, John Lennon, Maria Callas, Bob Dylan, and other iconic achievers of the 20th century. “While some may see them as the crazy ones, we see genius. Because the people who are crazy enough to think they can change the world are the ones who do.”²⁹⁶ After being exiled from Apple in the summer of 1985, Steve Jobs eventually regained control of the company. Alan Deutschman bookmarked the year 1997 as “the second coming of Steve Jobs.”²⁹⁷

In 1998, Apple launched the iMac personal computer with an upgraded operating system that enabled it to compete with HP and Dell. The iMac, built on the foundations of the original Macintosh computers, was reinvented in a way that wedded contemporary industrial design and advanced technology. Many more i-labeled products would follow. But what was the meaning of i? Steve Jobs explained the lowercase letter i using a slide that read: “internet, individual, instruct, inform, inspire.”²⁹⁸ He might have added imagine, impulse, illuminate, and indispensable.

To promote sales of new Apple models and computing software, and to bypass middleman competitors to capture profits, in May 2001 Apple opened its first retail store in Tysons Corner Center, Virginia. Apple “turned the boring computer sales floor into a sleek playroom filled with gadgets,” gushed *The New York Times*.²⁹⁹ By February 2014, 423 Apple Stores were operating in 15 countries, including the United States, the United Kingdom, Japan, Canada, Brazil, Italy, Australia, China, Switzerland, Germany, France, Spain, Hong Kong, the Netherlands and Sweden.³⁰⁰ Featuring a spiral glass staircase, the two-level Hong Kong Apple Store (the 100th

²⁹⁵ Adam Lashinsky, 2012, *Inside Apple: The Secrets Behind the Past and Future Success of Steve Jobs's Iconic Brand*, London: John Murray, p. 143.

²⁹⁶ Apple, 1997, “Think Different.” (1m video). <http://www.youtube.com/watch?v=cFEarBzelBs>

²⁹⁷ Alan Deutschman, 2000, *The Second Coming of Steve Jobs*, New York: Broadway Books.

²⁹⁸ Adam Lashinsky, 2012, *Inside Apple*, p. 140.

²⁹⁹ Stephanie Clifford and Miguel Helft, 14 June 2011, “Apple Stores Chief to Take the Helm at J. C. Penney,” *The New York Times*.

http://www.nytimes.com/2011/06/15/business/economy/15shop.html?_r=0

³⁰⁰ Apple, 2014, “Apple Retail Store.” <http://www.apple.com/retail/storelist/>

store outside the United States) attracted thousands of customers at the International Finance Center on the 24 September 2011 opening day. At the same time, Apple also pioneered online shopping. Building on the wide popularity of the iTunes Store, where consumers can buy their favorite music, videos and television shows online, Apple expanded their online presence with the creation of the App Store, the Mac App Store, and the iBooks Store.

Apple's Products

Few brands are as loved in China as Apple.

— *The Economist*, 2012³⁰¹

Apple's products evoke a feeling of excitement and surprising joy such that writers and analysts rival Apple publicists in promoting the claims of the new products. "Try to imagine a Dell laptop evoking a feeling of any kind," rhetorically asked Adam Lashinsky, "other than frustration."³⁰² *Fortune* magazine similarly asked, "What makes Apple golden?" and answered: "Apple has demonstrated how to create real, breathtaking growth by dreaming up products so new and ingenious that they have upended one industry after another: consumer electronics, the record industry, the movie industry, video, and music production."³⁰³ Apple products are integrated systems in which hardware, mobile operating system and advanced applications are packaged in an elegant design.

Apple's market for new products continued to expand right through the recession. In 2008, the global financial crisis hit almost all economic sectors and companies around the world in the wake of the Lehman Brothers collapse in the United States; but Apple barely felt the effects. Apple's revenues increased from US\$37.5 billion in 2008 to US\$42.9 billion in 2009, and then exploded to US\$156.5 billion in 2012.³⁰⁴ For fiscal year 2013, Apple's revenues reached US\$170.9 billion, up 9.2 percent from the previous year.³⁰⁵ Table 4.1 shows Apple's revenues generated from sales of its branded products and services (listed in the order of 2013 sales revenues). The

³⁰¹ V.V.V., 16 February 2012, "Apple in China," *The Economist*.

<http://www.economist.com/node/21547884>

³⁰² Adam Lashinsky, 2012, *Inside Apple*, pp. 51-52.

³⁰³ *Fortune*, 3 March 2008, "What Makes Apple Golden?"

http://money.cnn.com/2008/02/29/news/companies/amac_apple_fortune/index.htm

³⁰⁴ Apple, 2012, "Annual Report for the Fiscal Year Ended September 29, 2012," p. 24.

<http://investor.apple.com/secfiling.cfm?filingID=1193125-12-444068&CIK=320193>

³⁰⁵ Apple, 2013, "Annual Report for the Fiscal Year Ended September 28, 2013," p. 24.

http://files.shareholder.com/downloads/AAPL/2228807434x0x701402/a406ad58-6bde-4190-96a1-4c2d0d67986/AAPL_FY13_10K_10.30.13.pdf

signature Mac computer has now been far surpassed in value by the iPhone, with the iPad following in second place.

Table 4.1 Apple's Revenues by Product, 2011-2013

	2011		2013	
	(Ended 24 September)		(Ended 28 September)	
	Millions (US\$)	%	Millions (US\$)	%
iPhone	45,998	42.5	91,279	53.4
iPad	19,168	17.7	31,980	18.7
Mac	21,783	20.1	21,483	12.6
iPod	7,453	6.9	4,411	2.6
iTunes, Software, Services*	9,373	8.7	16,051	9.4
Accessories	4,474	4.1	5,706	3.3
Total	108,249	100	170,910	100

* Includes revenue from sales on the iTunes Store, the App Store, the Mac App Store, and the iBooks Store, and revenue from sales of licensing and other services.

Source: Adapted from Apple's 2013 annual financial report, p. 27.

Indeed, for the past decade Apple's annual revenue grew from US\$8 billion to US\$171 billion, or more than twentyfold, and the company's "global footprint expanded dramatically."³⁰⁶ Nevertheless, Apple is confronted by aggressive competition in all products and services as Samsung, Google, and other giants race to introduce newer models and upgrade technologies in the markets. In a strategic move, Apple is seeking to expand the China market for its high-end products at an ever more competitive price for the product and ancillary services.

Greater China alone, which includes mainland China, Hong Kong and Taiwan, currently comprises Apple's third-largest market share after the United States and Europe, while revenues in the Asia Pacific surpassed those of Europe (see Table 4.2).

³⁰⁶ Apple, 4 March 2014, "Apple's Peter Oppenheimer to Retire at the End of September." <https://www.apple.com/uk/pr/library/2014/03/04Apples-Peter-Oppenheimer-to-Retire-at-the-End-of-September.html>

Table 4.2 Apple's Revenues by Operating Segment, 2011-2013

	2011		2013	
	(Ended 24 September)		(Ended 28 September)	
	Millions (US\$)	%	Millions (US\$)	%
Americas	38,315	35.4	62,739	36.7
Europe	27,778	25.7	37,883	22.2
Greater China	12,690	11.7	25,417	14.9
Japan	5,437	5.0	13,462	7.9
Rest of Asia Pacific	9,902	9.1	11,181	6.5
Retail*	14,127	13.1	20,228	11.8
Total	108,249	100	170,910	100

* The Retail segment operates Apple Stores worldwide. The results of the geographic segments *do not* include results of the Retail segment. The Americas segment includes both North and South Americas. The Europe segment includes European countries as well as the Middle East and Africa. The Rest of Asia Pacific segment includes Australia and Asian countries other than Greater China (includes mainland China, Hong Kong and Taiwan) and Japan.

Source: Adapted from Apple's 2013 annual financial report, p. 27.

Apple quickly moved to seek control of global markets for its products. In China, the company has customized its software to the usage patterns and the national language of the local customer base. Shoppers flock to visit Apple's three-story emporium, the largest in Asia, on the Wangfujing shopping street in the heart of Beijing. In December 2012, an Apple Store opened in the city center of Chengdu in Sichuan, southwestern China, becoming the 9th directly-run Apple shop in mainland China, following store openings in Beijing (the first store opened in July 2008 in the run up to the Beijing Olympics), Shanghai, and Shenzhen. Apple CEO Tim Cook, who succeeded the late Steve Jobs in August 2011, said, "Customer response to our products in China has been off the charts."³⁰⁷

The iPhone

From 2010 to early 2014, Apple has upgraded its smartphone to iPhone 4, 4s, 5, 5s, and 5c. In January 2012, the upgraded iPhone 4s was launched in China. Eight months later, in September, Apple introduced the iPhone 5 in the United States. The company statement trumpeted, "iPhone 5 is the most beautiful consumer device that we've ever created."³⁰⁸ One year later, in September 2013, Apple announced the

³⁰⁷ Apple, 4 January 2012, "iPhone 4s Arrives in China on January 13."

<http://www.apple.com/pr/library/2012/01/04iPhone-4S-Arrives-in-China-on-January-13.html>

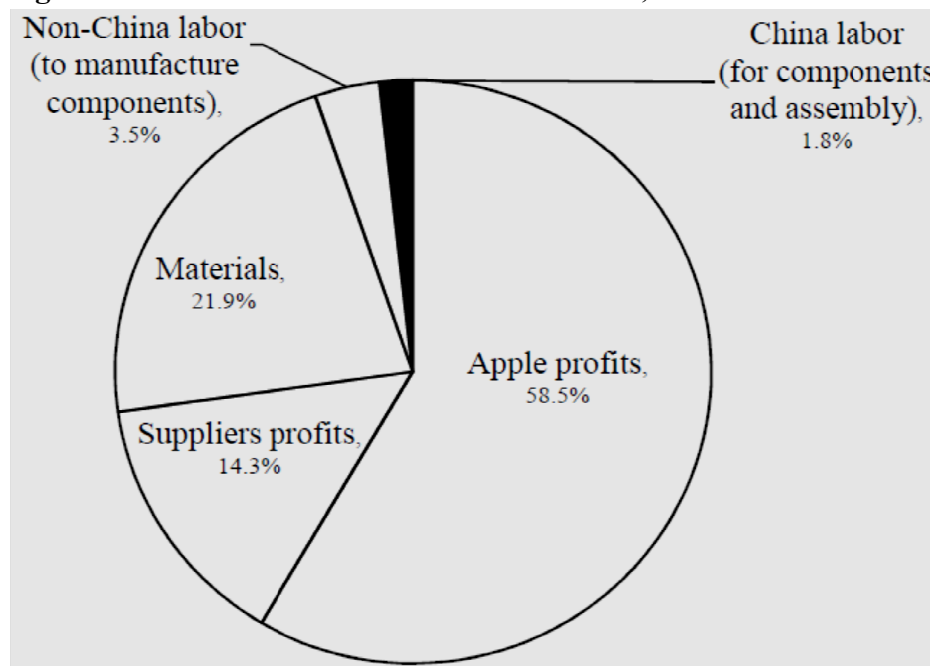
³⁰⁸ Apple, 12 September 2012, "Apple Introduces iPhone 5."

<http://www.apple.com/pr/library/2012/09/12Apple-Introduces-iPhone-5.html>

“most forward-thinking smartphone in the world,” iPhone 5s, and the “most colorful smartphone,” iPhone 5c (in “five colors” — blue, green, pink, yellow, and white), the latter an attempt to secure a foothold in a lower-priced market.³⁰⁹

Figure 4.1 shows the breakdown of value for the iPhone 4 between Apple and its suppliers. Apple’s strength is well illustrated by its ability to capture an extraordinary 58.5 percent of the value of the iPhone despite (but also because of) the fact that manufacture of the product was entirely outsourced. Particularly notable was that labor costs in China accounted for the smallest share, only 1.8 percent or nearly US\$10, of the US\$549 retail price of the iPhone in 2010. Other major component providers, mainly Japanese and South Korean firms that produce the most sophisticated components, captured slightly over 14 percent of the value of the iPhone. The cost of raw materials was just over one-fifth of the total value (21.9 percent).

Figure 4.1 Distribution of Value for the iPhone, 2010



Source: Adapted from Kraemer, Linden and Dedrick (2011: 5).³¹⁰

Market forces constantly push the company to repeatedly redesign “the best iPhone yet,” with immediate consequences for Foxconn and other subcontractors in Apple’s

³⁰⁹ Apple, 17 September 2013, “iPhone 5s & iPhone 5c Arrive on Friday, September 20.” <http://www.apple.com/pr/library/2013/09/16iPhone-5s-iPhone-5c-Arrive-on-Friday-September-20.html>

³¹⁰ Kenneth L. Kraemer, Greg Linden and Jason Dedrick, 2011, “Capturing Value in Global Networks: Apple’s iPad and iPhone,” p. 5. http://pcic.merage.uci.edu/papers/2011/Value_iPad_iPhone.pdf

global production network. While Apple and Foxconn together squeeze workers to meet demand, the costs of labor in processing and assembly are virtually invisible in Apple's balance sheets.

Apple does not disclose its contracts with Foxconn. Jacky Haynes, Senior Director of Apple's Supplier Responsibility program, responded in the 18 February 2014 email: "Over the years, we have increased the prices we pay to suppliers in order to support wage increases for workers. Confidentiality agreements prevent us from providing the data you're requesting."³¹¹ Martin Hsing, Executive Director of Foxconn Global Social and Environmental Responsibility Committee, also explained that "as Foxconn follows a strict company policy of not commenting on any current or potential customers or their products, we are not able to provide details relating to specific companies that you have inquired about..."³¹² But my field research (discussed in this and the following chapters) shows that Chinese workers who assemble much of the iPhone have received only a small share of the income it generates, while Apple enjoys extraordinary profit margins.

The iPad

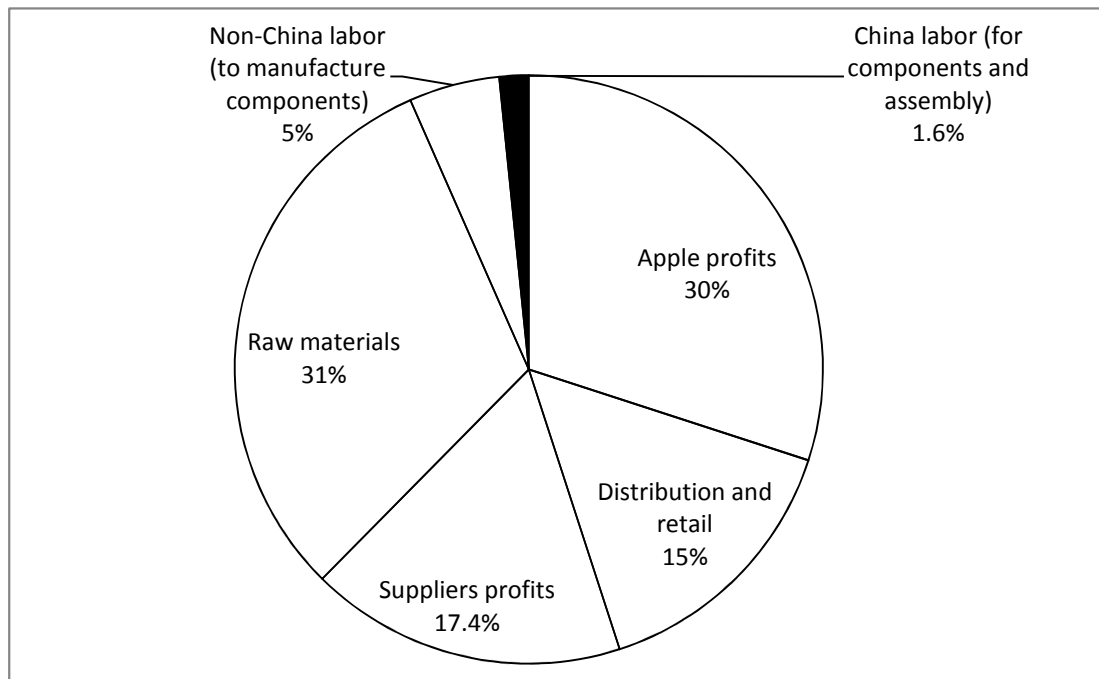
Apple is also a major leader in the design and marketing of tablet computers. From its keyboards and mice to touch-based controls, *Time* magazine immediately recognized the iPad as one of the "50 best inventions" of 2010.³¹³ Where profit margins are often in the single digits in the low-end computing market, in 2010, Apple retained 30 percent of the sales price of the US\$499 iPad, even more if it was sold through Apple's retail outlets or online store. In contrast, labor cost for the iPad in China was estimated at only 1.6 percent or US\$8 (see Figure 4.2).

³¹¹ I have maintained copies of all the email communications with Apple's Jacky Haynes between December 2013 and March 2014.

³¹² Foxconn's reply to research inquiry dated 31 December 2013. I keep the 7-page company statement.

³¹³ Harry McCracken, 11 November 2010, "The 50 Best Inventions of 2010," *Time*.
http://www.time.com/time/specials/packages/article/0,28804,2029497_2030652,00.html

Figure 4.2 Distribution of Value for the iPad, 2010



Source: Adapted from Kraemer, Linden and Dedrick (2011: 11).³¹⁴

Incredibly, Apple sold three million upgraded “new iPads” in the first three days of its release in March 2012 — that is, one million iPads a day in the American market — making it dominant in global tablets.³¹⁵ For Christmas shoppers, in December 2012 Apple introduced the fourth generation iPad running on a new operating system, iOS 6 (competing with Google’s Android application system), and the lighter and thinner 7.9-inch iPad mini.³¹⁶ In October 2013, Apple announced iPad Air, its fifth generation iPad, which was promoted as “dramatically thinner, lighter and more powerful (with iOS 7)” than any other comparable products.³¹⁷ The sales of iPads continue to soar. No wonder in March 2014 the company boldly stated that “the iPad line sets the gold-standard in mobile computing.”³¹⁸

³¹⁴ Kenneth L. Kraemer, Greg Linden and Jason Dedrick, 2011, “Capturing Value in Global Networks: Apple’s iPad and iPhone,” p. 11. http://pcic.merage.uci.edu/papers/2011/Value_iPad_iPhone.pdf

³¹⁵ Apple, 19 March 2012, “New iPad Tops Three Million.” <http://www.apple.com/pr/library/2012/03/19New-iPad-Tops-Three-Million.html>

³¹⁶ Apple, 23 October 2012, “Apple Introduces iPad mini.” <http://www.apple.com/pr/library/2012/10/23Apple-Introduces-iPad-mini.html>

³¹⁷ Apple, 22 October 2013, “Apple Announces iPad Air — Dramatically Thinner, Lighter and More Powerful iPad.” <http://www.apple.com/pr/library/2013/10/23Apple-Announces-iPad-Air-Dramatically-Thinner-Lighter-More-Powerful-iPad.html>

³¹⁸ Apple, 18 March 2014, “Apple Updates Most Affordable 9.7-Inch iPad with Retina Display.” <https://www.apple.com/pr/library/2014/03/18Apple-Updates-Most-Affordable-9-7-inch-iPad-with-Retina-display-Improved-Cameras-Enhanced-Performance-Now-Available-Starting-at-399.html>

In this era of the mobile technologies revolution, the production cycle and delivery schedules are shorter than ever, the pressures on workers higher. My interview with a senior Foxconn commodity manager reveals that, “Apple tightened the control over Foxconn by splitting iPhone and iPad orders with Taiwanese-owned Pegatron, a manufacturing unit spun off from Asustek, in the aftermath of the spate of worker suicides in 2010.”³¹⁹ By pitting its suppliers against each other, and investing in research, design and marketing, the American giant reaps very high profits and commands a leading position in the consumer electronics market. But as we will see, the major Apple contracts remain with Foxconn, even after diversification.

Apple’s Suppliers

Apple, which once built its Macintosh computers in the United States, has contracted manufacturers outside the United States to produce and assemble its products as a way to cut costs and shed benefit burdens. In 1981, Apple started to contract offshore facilities in Singapore to ramp up upgraded Apple II personal computers. In 1982 Apple Computer President Mike Scott commented: “Our business was designing, educating and marketing. I thought that Apple should do the least amount of work that it could and...let the subcontractors have the problems.”³²⁰ In the 1990s, Apple led the way as Lucent, Nortel, Alcatel, and Ericsson, among others, “sold off most, if not all, of their in-house manufacturing capacity — both at home and abroad — to a cadre of large and highly capable US-based contract manufacturers, including Solectron, Flextronics, Jabil Circuit, Celestica, and Sanmina-SCI.”³²¹ Apple now retains its only Mac Pro desktop computer manufacturing complex in Cork, Ireland.³²² After the 2001 dot.com bubble, Apple and other technology multinationals all accelerated outsourcing of manufacturing to industrializing economies, fostering the growth of contractors in India, Malaysia, Indonesia, the Philippines, Thailand, Mexico, Brazil, Hungary, Czech Republic, and above all in China.³²³

Managing production by their suppliers is central to the competitiveness of Apple

³¹⁹ Manager interviewee 12.

³²⁰ Quoted in Dieter Ernst, 1997, “From Partial to Systemic Globalization: International Production Networks in the Electronics Industry,” Berkeley Roundtable on the International Economy Working Paper 98, p. 49. <http://brie.berkeley.edu/publications/WP%2098.pdf>

³²¹ Timothy Sturgeon, John Humphrey and Gary Gereffi, 2011, “Making the Global Supply Base,” *The Market Makers: How Retailers are Reshaping the Global Economy*, edited by Gary G. Hamilton, Misha Petrovic and Benjamin Senauer, Oxford: Oxford University Press, p. 236.

³²² Manager interviewee 9.

³²³ Boy Lüthje, Stefanie Hürtgen, Peter Pawlicki and Martina Sproll, 2013, *From Silicon Valley to Shenzhen: Global Production and Work in the IT Industry*, Lanham, MD: Rowman and Littlefield.

and other electronic behemoths. While Apple has announced that it is resuming manufacturing of some Macs in the United States, most of its products are outsourced. Apple's 2013 annual report filed with the United States Securities and Exchange Commission describes a challenge to its highly profitable business:

Substantially all of the Company's hardware products are currently manufactured by outsourcing partners that are located primarily in Asia. A significant concentration of this manufacturing is currently performed by a small number of outsourcing partners, often in single locations. Certain of these outsourcing partners are the sole-sourced suppliers of components and manufacturers for many of the Company's products.³²⁴

Due to severe competition from powerful rivals such as Samsung, and the need for high-speed production in huge volume, Apple has concentrated its manufacturing base "in single locations" and in the hands of "a small number of outsourcing partners," despite the risk of dependency.

The Apple-Foxconn Relationship

Clearly, the relationship between Apple and Foxconn remains highly interdependent. The consolidation of technology firms, notably Apple and Samsung, has driven "the consolidation of their suppliers, while lead firms capture much more value than their contract manufacturers do."³²⁵ Big buyers and big suppliers engage in strategic partnership to maximize profits, while the former enjoy far higher profits than the latter. Industry analysts observed that, "because of its volume" — and arguably its ruthlessness — "Apple gets big discounts on parts, manufacturing capacity, and air freight."³²⁶ "During the 2008-09 global financial crisis," a mid-level production manager recalled:

Foxconn cut prices on components, such as connectors and printed

³²⁴ Apple, 2013, "Annual Report for the Fiscal Year Ended September 28, 2013," p. 7. http://files.shareholder.com/downloads/AAPL/2228807434x0x701402/a406ad58-6bde-4190-96a1-4c2d0d67986/AAPL_FY13_10K_10.30.13.pdf

³²⁵ Joonkoo Lee and Gary Gereffi, 2013, "The Co-Evolution of Concentration in Mobile Phone Global Value Chains and Its Impact on Social Upgrading in Developing Countries," Capturing the Gains: Economic and Social Upgrading in Global Production Networks, Working Paper 25, p. 1. <http://www.capturingthegains.org/pdf/ctg-wp-2013-25.pdf>

³²⁶ Adam Satariano and Peter Burrows, 3 November 2011, "Apple's Supply-Chain Secret? Hoard Lasers," *Bloomberg Businessweek*. <http://www.businessweek.com/magazine/apples-supplychain-secret-hoard-lasers-11032011.html>

circuit boards, and assembly, to retain high-volume orders. Margins were cut. Still, the rock bottom line was kept, that is, Foxconn did not report a loss on the iPhone contract. How? By charging a premium on customized engineering service and quality assurance. The upgrading of the iPhones has in part relied on our senior product engineers' research analyses and constructive suggestions.³²⁷

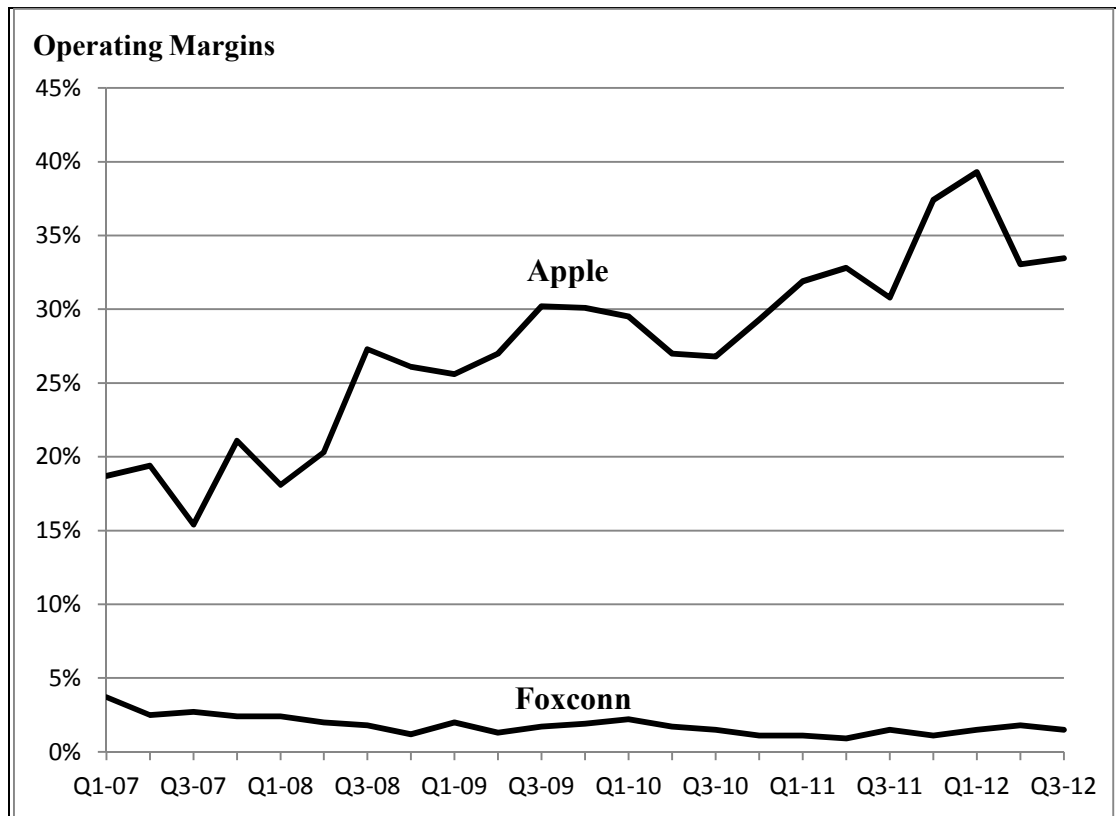
Foxconn's edge in technology and services served the company well in the crisis. At the same time, Foxconn accommodated Apple's and other corporate buyers' squeeze while reducing labor expenditures, including cuts in wages (overtime premiums) and benefits (productivity bonuses and quarterly prizes). Figure 4.3 shows that Foxconn's operating margins — the proportion of revenues remaining after paying operating costs such as wages, raw materials, and administrative expenses — declined steadily from 3.7 percent in the first quarter of 2007 to a mere 1.5 percent in the third quarter of 2012. By contrast, Apple's operating margins peaked at 39.3 percent in early 2012 from initial levels of 18.7 percent in 2007. The changes indicate Apple's ability to pressure Foxconn to accept lower margins as a result of acceding to Apple's demands for technical changes and large orders, even as Foxconn's revenues continued to rise.

Foxconn's margins are constantly squeezed by technology giants, especially but not only by Apple. Foxconn, Pegatron, and other large manufacturers seek to expand their market position as a producer of the iPhone and iPad. They are compelled to provide good shopping services for global brands at competitive prices and high efficiency. But it is widely noted that "speed, not just cost," might be "the killer attribute" that gives Foxconn and other large manufacturers "the winning edge to remain competitive."³²⁸

³²⁷ Manager interviewee 8.

³²⁸ Thomas Dinges, 19 July 2012, "To Win, Focus on Speed, Not Just Cost," EBN (The Premier Online Community for Global Supply Chain Professionals).
http://www.ebnonline.com/author.asp?section_id=1096&doc_id=247738

Figure 4.3 Operating Margins: Apple and Foxconn Compared, 2007 – 2012*



* Data from January 2007 to September 2012 were non-consolidated results for Foxconn. (Starting from Q4 2012, Foxconn announced consolidated results.)
 Sources: From Q1 2007 to Q3 2011, see *Bloomberg* (5 January 2012); From Q4 2011 to Q3 2012, see Wikinvest (2012) for Apple; From Q4 2011 to Q3 2012, see Foxconn Technology Group (27 March 2012, 14 May 2012, 31 August 2012, 30 October 2012).³²⁹

Foxconn must rapidly reorganize its production lines, staffing, and logistics if it is to continue to be demand-responsive. A production manager said, “Since 2007, Apple has dispatched engineering managers to work at Foxconn’s Longhua and newly opened Guanlan factories in Shenzhen to oversee our product development and assembly work.”³³⁰ The Guanlan factory, which began production in summer 2007, employed 130,000 workers in early 2010, and it has hired more short-term and

³²⁹ *Bloomberg*, 5 January 2012, “Apple Profit Margins Rise at Foxconn’s Expense.”
<http://www.bloomberg.com/news/2012-01-04/apple-profit-margins-rise-at-foxconn-s-expense.html>
 Wikinvest, 2012, “Apple: Operating Margin.”

http://www.wikinvest.com/stock/Apple_%28AAPL%29/Data/Operating_Margin
 Foxconn, 27 March 2012, “Non-Consolidated Results for the Twelve Month Periods Ended December 31, 2011.” (Printed version).

Foxconn, 14 May 2012, “Non-Consolidated Results for the Three Month Periods Ended March 31, 2012.” (Printed version).

Foxconn, 31 August 2012, “Non-Consolidated Results for the Six Month Periods Ended June 30, 2012.” (Printed version).

Foxconn, 30 October 2012, “Non-Consolidated Results for the Nine Month Periods Ended September 30, 2012.” (Printed version).

³³⁰ Manager interviewee 13.

long-term workers to raise productivity and production flexibility. In 2010, for example, 28,044 “student interns” from “more than 200 vocational schools” were assigned to assemble Apple products at the Foxconn iDPBG (integrated Digital Product Business Group).³³¹ In the long run, automation and robotics could speed up manufacturing and assemblies, drive production costs down, and threaten jobs. At present, Foxconn’s workers, including teenage interns, who are not robots, are expected to submit to a company philosophy of absolute obedience.

Under CEO Terry Gou’s central command, an enormous production system has been built to cope with the ever shorter product cycle and seasonal as well as unexpected fluctuations in global demand for consumer electronics. New workers are often reprimanded for working too slowly on the line, regardless of their efforts to keep up with the “standard” work pace.³³² Emphasizing the company’s claim to produce the world’s best products for global customers — “You can find the best technology Foxconn goods and good product quality with reasonable price”³³³ — the maximum allowable rate of defective products is set low. Tian Yu said several times that she had “made no mistakes on the screens,” but the line leader blamed her anyway.³³⁴

Yu felt that there was no way to say “no” to overtime. Foxconn workers had to swipe their staff ID cards at electronic readers at the beginning and end of each work shift. The assembly lines ran on a 24-hour non-stop basis, the well-lit factory floor was visible throughout the night from afar. “Checking the screens of the products made my eyes feel intense pain,” Yu told me.

In fact, not only Foxconn managers, but also Apple’s representatives regularly monitor production quality processes and time to market. A Foxconn human resources manager at Shenzhen Longhua provided this vivid eye-witness account of Apple’s hands-on supervision of assembly:

When Apple CEO Steve Jobs decided to revamp the screen to strengthen the glass on iPhone four weeks before it was scheduled to hit the shelves in stores in June 2007, it required an assembly overhaul and production speedup in the Longhua facility in Shenzhen. Naturally, Apple’s supplier code on worker safety and workplace

³³¹ *The Foxconn Bridgeworkers*, 31 December 2010, “*Hezuo, gongying*” (Cooperation and Win-win) 合作·共赢, Vol. 183, p. 23.

³³² Worker interviewee 1.

³³³ Manager interviewee 10.

³³⁴ Worker interviewee 1.

standards, above all China's labor laws limiting overtime hours, were all put aside.³³⁵

During my fieldwork, I learned that 15 business groups compete within Foxconn on speed, quality, efficiency, engineering service and added value to maximize profits. "Two 'Apple business groups,' iDPBG [integrated Digital Product Business Group] and iDSBG [innovation Digital System Business Group], are rising stars in these past few years," a Foxconn commodity manager noted.

iDPBG was established in 2002. At the beginning, it was only a small business group handling Apple's contracts. We assembled Macs and shipped them to Apple retail stores in the United States and elsewhere. Later we had more orders of Macs and iPods from Apple. In 2007, we began to assemble the first-generation iPhone. From 2010, we also packed iPads at the Shenzhen and new Chengdu facilities.³³⁶

To increase its competitiveness, Foxconn set up iDSBG in 2010 when the company won the iPad contracts. iDSBG now mainly makes Macs and iPads. In addition, the company fine tunes an internal supply network that extends from raw material extraction to parts processing to final assembly, helping to reduce market risks and accelerate time to market.

Apple's iPad City

Foxconn Chengdu, legally registered as Hongfujin Precision Electronics (Chengdu) Company Limited and known as iPad City, began operation in October 2010. All workers at this new production site are responsible for making iPads, serving only Apple. The factory labor force grew to 50,000 employees in March 2011, making it one of the city's biggest employers in its first half-year of operation in the provincial capital of Sichuan, southwestern China. As of December 2012, it expanded to 165,000, and recruitment continued. Many Sichuanese workers³³⁷ are taking advantage of job opportunities opening up in or near their native place, rather than moving to distant provinces.

³³⁵ Manager interviewee 1.

³³⁶ Manager interviewee 6.

³³⁷ In March 2012, of the 38,393 workers surveyed at the Foxconn Chengdu factory, only 14.2 percent of them were Chinese migrants from outside of Sichuan. See Fair Labor Association, "Characteristics of the Workforce at Three Foxconn Facilities," Table 1, p. 5.

http://www.fairlabor.org/sites/default/files/documents/reports/foxconn_investigation_report.pdf

Foxconn management, facing stiff procurement orders and tight shipment deadlines, turns again and again to (illegal) overtime work. Apple and other buyers want their tablets fast to meet Chinese and global demand. Apple boasts that it obtains products and services “within tight timeframes” and “at a cost that represents the best possible value” to its customers and shareholders.³³⁸ Apple CEO Tim Cook puts it this way, “Nobody wants to buy sour milk.”³³⁹ And elsewhere, “Inventory...is fundamentally evil. You want to manage it like you’re in the dairy business: If it gets past its freshness date, you have a problem.”³⁴⁰ Tracking demand worldwide, Apple adjusts production forecasts *daily*.

There are two major sources of production-time pressure highlighted by Apple in its annual financial report filed to the United States Securities and Exchange Commission, pressure which is transferred to outsourced suppliers:

The Company has historically experienced higher net sales in its first fiscal quarter [from September to December] compared to other quarters in its fiscal year due in part to holiday seasonal demand. Actual and anticipated timing of new product introductions by the Company can also significantly impact the level of net sales experienced by the Company in any particular quarter.³⁴¹

Apple, by introducing myriad changes in the design of its sophisticated devices, each with multiple variations to suit consumer tastes, relentlessly drives the pace of production with each new model and holiday season. It recognizes that it is involved in a “competition against time,” in which failure to keep up spells doom in a competitive industry with powerful challengers.³⁴² Streamlining the global supply chain on the principle of market efficiency, low cost, and high speed is a must.

In contracting to Foxconn and other suppliers, Apple tightly controls key decision-making power by deciding how and when its products are produced and marketed. In a rare reference to the production pressures that Apple or its competitors apply, Foxconn CEO’s Special Assistant Louis Woo explained his

³³⁸ Apple, 2014, “Apple and Procurement.” <http://www.apple.com/procurement/>

³³⁹ Quoted in Adam Satariano and Peter Burrows, 3 November 2011, “Apple’s Supply-Chain Secret? Hoard Lasers,” *Bloomberg Businessweek*.
<http://www.businessweek.com/magazine/apples-supplychain-secret-hoard-lasers-11032011.html>

³⁴⁰ Quoted in Adam Lashinsky, 2012, *Inside Apple*, p. 95.

³⁴¹ Apple, 2012, “Annual Report for the Fiscal Year Ended September 29, 2012,” p. 8.
<http://investor.apple.com/secfiling.cfm?filingID=1193125-12-444068&CIK=320193>

³⁴² Manager interviewee 6.

company's perspective on overtime in an April 2012 American media program:

The overtime problem — when a company like Apple or Dell needs to ramp up production by 20 percent for a new product launch, Foxconn has two choices: hire more workers or give the workers you already have more hours. When demand is very high, it's very difficult to suddenly hire 20 percent more people. Especially when you have a million workers — that would mean hiring 200,000 people at once.³⁴³

Foxconn continues to hire more workers, including interns (in the name of skills training and business-school cooperation³⁴⁴), and at the same time imposes compulsory overtime on the labor force during the peak production months.

Apple's Subcontracting of Exploitation to China

On 2 March 2011, soon after the Chinese New Year Holidays, I flew out from Shenzhen to Chengdu Shuangliu International Airport, and went straight to the Apple's renowned iPad city based in Pi County before settling in a hostel. I carried my baggage, queued up outside the Foxconn Recruitment Center, and chatted with the job seekers. Many of them were surprised to find a Hong Kong student doing "social investigations"³⁴⁵ in a small county, instead of looking for a Foxconn job.

During the spring of 2011, at the still-under-construction Foxconn Chengdu plant, shimmering aluminium dust often filled the air. The iPad's casing is aluminium, and polishing creates a large amount of dust. All around the factory area, there was not only metallic dust but also piles of sand, stones, and soil, and the roads were uneven. The entrance to the factory had some crudely placed wooden boards creating a small path between two uneven sand piles for workers who daily passed through the makeshift pedestrian thoroughfare to enter the factory. Construction materials like steel bars and cement were stacked everywhere. Some factory floors in Zones B and C had already been put into production, even though auxiliary facilities such as toilets and canteens were not fully accessible.

³⁴³ Bob Schmitz, 12 April 2012, "The People Behind your iPad," *Marketplace*.

<http://www.marketplace.org/topics/world/apple-economy/people-behind-your-ipad-bosses>

³⁴⁴ See chapter 6 in this dissertation for further discussions.

³⁴⁵ *Shehui diaocha* (社會調查).



In a vast construction site of half-finished buildings, Foxconn Chengdu workers queue up to punch their time cards at 7 a.m. The polishing workers did not know that aluminium dust created by the polishing of an iPad could explode under certain conditions. Photo credit: Jenny Chan.

In the entire month of March 2011, most production workers interviewed in Foxconn Chengdu logged long hours of overtime with only two rest days. Fan Chunyan,³⁴⁶ a 22-year-old female worker, attended compulsory work meetings every day. She told me, “I reported to the line leaders 15 to 20 minutes earlier for roll call. Leaders exhorted us to maintain high productivity, reach daily output targets, and keep discipline.” On the factory floor, “Machinery was never left idle. Toilet breaks during the working hours are also restricted. Meal times were occasionally shortened or even cut to finish the production quotas of the day.”

“When we have work,” Duan Dong,³⁴⁷ a 19-year-old male worker said, “half of our income is from doing overtime...I didn’t go home during the Spring Festival holidays in early February even though my village [in Qionglai city] was nearby. Instead I did 78 hours of overtime work that month, thereby earning an additional 1,090 Yuan, which added to my base pay of 1,060 Yuan, gave me a total of 2,150

³⁴⁶ Worker interviewee 39.

³⁴⁷ Worker interviewee 37.

Yuan.” This is more than double the 36-hour legal limit for monthly overtime under the Chinese Labor Law.

Excessive overtime was the norm. Dong’s co-worker, Ouyang Zhong,³⁴⁸ married with a one-year-old daughter, had returned from home after a brief family reunion. That same month, he worked 44 overtime hours. Zhong emphasized that “without overtime, it’s hard to get by.” Many workers are eager to maximize overtime as the only way to send home money. Others, however, are hard pressed to survive the long hours and intense pace, have no choice but to accept overtime assignments. Day and night, they toil under dangerous conditions, risking health and safety.

Workplace hazards monitoring, more specifically ductwork inspection and ventilation system review, had largely given way to meeting high iPad production targets. Foxconn’s polishing workers are responsible for transforming raw aluminium into shiny stainless iPad casings. Each polishing machine produces metallic dust as it processes and grinds with ever greater refinement. Microscopic aluminium dust clouds the air. It coats workers’ clothes. A young female polishing worker described the situation, “I’m breathing aluminium dust at Foxconn like a vacuum cleaner.”³⁴⁹ The polishing workshop windows were tightly shut so that workers “felt as if we were suffocating.”³⁵⁰ “Some tearing and pain also occur as the tiny solid aluminium particles are rinsed from my eyes by tears,” Ma Quan, a 20-year-old worker, explained to me in Sichuan dialect.³⁵¹ He added: “Everyone in the workshop is wearing a thin gauze mask, with a centre section of activated charcoal, but it doesn’t have an airtight seal and provides no protection. Some of us are suffering from shortness of breath.”

If the masks are useless for preventing the aluminium dust’s toxic effects, they do help Foxconn pass factory inspections. Although workers were constantly coughing and complaining of a sore throat, Foxconn managers and Apple engineers and product development teams dispatched to the Chengdu factory apparently prioritized the hourly production figures.

“Apple is committed to ensuring that working conditions in Apple’s supply chain are safe, that workers are treated with respect and dignity, and that manufacturing processes are environmentally responsible” — the very first commitment made by

³⁴⁸ Worker interviewee 32.

³⁴⁹ Worker interviewee 13.

³⁵⁰ Worker interviewees 13 and 14.

³⁵¹ Worker interviewee 30.

Apple in the opening line of its Supplier Code of Conduct³⁵² rings hollow. Four colleagues of Quan had already quit their jobs long before their six-month probation was over.

In the polishing workshop, workers put on cotton gloves, but the finest particles penetrate through the flimsy material to their hands. Workers simply wash their hands and bodies with soap and water, without knowing the exposure level of aluminium dust in their workshop. After work Quan took off his cotton gloves and looked helplessly at both his hands covered in aluminium dust. Encouraged by other workers, he relayed their shared health concerns to his line leader, only to hear words that left the workers feeling distraught: “The factory conditions are absolutely safe!”

Speedup, Fire, and Explosion

Repeated warnings from workers and labor activists³⁵³ about the dangers of aluminium dust on the eyes, brains, lungs, kidneys, livers, and bone of human beings had fallen on deaf ears.³⁵⁴ Instead, a Foxconn media statement dated 7 May 2011 reads: “We have made tremendous progress over the past year as we work to lead our industry in meeting the needs of the new generation of workers in China and that has been confirmed by the many customer representatives, outside experts, and reporters who have visited our facilities and openly met with our employees and our management team.”³⁵⁵ This public relations statement ignores the deep concerns of workers and makes no mention of pressing grievances, demonstrating Foxconn’s failure to conduct a comprehensive risk assessment of its workplace health and safety conditions, or even to recognize the need for such an assessment. On one point, the company statement is all too accurate: “customer representatives,” that is, Apple, visited the facilities and raised no significant issues concerning health and safety.

Two weeks later, on 20 May 2011, an accumulation of aluminium dust in the air duct on the third floor at Foxconn Chengdu Building A5, Zone A, provided fuel for an

³⁵² Apple, 2012, “Apple Supplier Code of Conduct,” p. 1.

http://images.apple.com/supplierresponsibility/pdf/Apple_Supplier_Code_of_Conduct.pdf

³⁵³ SACOM (Students and Scholars Against Corporate Misbehavior), 6 May 2011, “Foxconn and Apple Fail to Fulfill Promises: Predicaments of Workers after the Suicides.”

http://sacom.hk/wp-content/uploads/2011/05/2011-05-06_foxconn-and-apple-fail-to-fulfill-promises1.pdf

³⁵⁴ Mona Sobhi Siha, Laila Rashed, Dalia Abdel-Hamid Shaker and Mona Ramadan, 2014, “Effect of Occupational Exposure to Aluminum on Parathyroid Hormone and Calcium Metabolism,” *British Journal of Medicine & Medical Research* 4(11), pp. 2265-76.

³⁵⁵ Quoted in *IDG News*, 7 May 2011, “Watchdog Group Cites Continued Foxconn Abuses.”

http://www.pcworld.com/businesscenter/article/227306/watchdog_group_cites_continued_foxconn_abuses.html

explosion. The metallic dust was ignited by a spark in an electric switch. Dense smoke filled the workshop. “We barely escaped with our lives. It’s terrifying,” the workers told me as they recalled the “black Friday evening.”³⁵⁶ Firemen arrived at the scene around 7:30 p.m. Ambulances and company vans brought male and female victims who were either seriously burned or who had lost consciousness to the emergency units at the Sichuan Chengdu People’s Hospital and other hospitals. In the midst of lightning and thunder that night, some workers could not hold back their tears in the rain.

The hectic daily work schedule was only disrupted by the Foxconn Chengdu aluminium-dust explosion that killed four workers and severely injured at least eighteen others. Apple’s statement reads: “We are deeply saddened by the tragedy at Foxconn’s plant in Chengdu, and our hearts go out to the victims and their families. We are working closely with Foxconn to understand what caused this terrible event.”³⁵⁷

But where, before or since, has Apple stepped in to assure that Foxconn take steps to protect the health and safety of workers, or accepted its own partial responsibility for death and injury? It was business as usual. On 17 December 2011, only seven months after the Foxconn Chengdu explosion, combustible aluminium dust fuelled another blast, this time at a Shanghai-based supplier to Apple, injuring 59 workers.³⁵⁸ In the blast, young men and women suffered severe burns and shattered bones, leaving 25 workers permanently disabled.³⁵⁹

How do the Chinese State and Companies Undermine Workers’ Rights?

Immediately after the aluminium-dust explosion at Foxconn, government officials and the police took control of the hospital wards. China’s State Council Information Office moved swiftly to curb the media. “In regard to Foxconn’s Chengdu plant explosion [on 20 May 2011], all media and websites are to wait for an official report. No independent reports, re-posts, or recommendations will be allowed.”³⁶⁰ Similarly,

³⁵⁶ Workers interviewees 31, 32, and 37.

³⁵⁷ Quoted in Tania Branigan, 20 May 2011, “Workers Killed in Blast at China Plant of iPad Maker Foxconn,” *The Guardian*.

<http://www.guardian.co.uk/technology/2011/may/20/foxconn-apple-blast-china>

³⁵⁸ Taiwanese-invested Pegatron’s subsidiary, Riteng Computer Accessory (Shanghai) Co., Ltd., supplies computer components to Apple, among others.

³⁵⁹ Frank Langfitt, 12 March 2012, iPad Workers: Plant Inspected Hours Before Blast, *NPR*.

<http://www.npr.org/2012/03/12/148421415/apple-workers-plant-inspected-hours-before-blast>

³⁶⁰ *Guoxinban jinji tongzhi: Chengdu Fushikang fasheng baozha, ge meiti wangzhan dengdai xinwen tonggao, bude zhangzi fabu, zhuanfa, zhiding* (國新辦緊急通知：成都富士康發生爆炸，各媒體網

the Sichuan Provincial Propaganda Department announced: “With regard to Foxconn’s Chengdu iPad 2 plant explosion, no independent reporting can be conducted. Unauthorized reports will be immediately deleted.”³⁶¹ The blackout on the Chinese press was complete. There could be no more graphic indication of the coordination between the party-state and the corporation at the expense of workers’ occupational health and lives.

The clash between worker safety and high pressure production targets was evident at iPad production sites. Foxconn closed the polishing workshops for one week to “cooperate with the government investigation.”³⁶² Under mounting social pressure, Apple eventually sent its Supplier Responsibility management team and “external experts” to check “all suppliers handling aluminium dust and put stronger precautionary measures in place before restarting production,” as publicly communicated in its January 2012 annual report.³⁶³ Fast-paced production of iPads resumed shortly. Despite the establishment of new safety guidelines, Apple’s ordering, pricing, and delivery demands directly conflict with their own supplier compliance programs and local legal requirements, while maximizing profits.

Just three months after the deadly explosion, local government officials launched a large-scale recruitment campaign to support Foxconn in ramping up iPad exports. Between September 2011 and January 2012, Foxconn Chengdu recruited more than 7,000 “student interns” to work on the assembly line, making up approximately 10 percent of the company labor force.³⁶⁴ Contrary to my field research findings, the Fair Labor Association,³⁶⁵ which received funding from Apple for its investigation of Foxconn, “found *no interns* had been engaged at Chengdu since September 2011” (*my emphasis*).³⁶⁶

站等待新聞通稿，不得擅自發佈、轉發、置頂。).

³⁶¹ *Sichuan shengwei xuanchuanbu: Chengdu Fushikang chanye jidi iPad2 shengchanxian baozha yishi, bude shanzi baodao. Weijing baopi de baodao liji shanchu* (四川省委宣傳部：成都富士康產業基地 iPad 2 生產線爆炸一事，不得擅自報導。未經報批的報導立即刪除。).

³⁶² Manager interviewee 2.

³⁶³ Apple, 2012, “Apple Supplier Responsibility: 2012 Progress Report,” p. 15.

http://www.apple.com/supplierresponsibility/pdf/Apple_SR_2012_Progress_Report.pdf

³⁶⁴ Manager interviewee 4.

³⁶⁵ Fair Labor Association, 2013, “Second Foxconn Verification Status Report,” p. 5.

http://www.fairlabor.org/sites/default/files/documents/reports/second_foxconn_verification_status_report_0.pdf#overlay-context=

³⁶⁶ In the absence of financial independence from companies that support it, I raise questions about the Fair Labor Association’s (FLA) ability to fulfill its mission to protect workers in the global economy. In 2012, the FLA received from Apple membership dues of US\$250,000, plus well into the six figures’ audit fees for conducting its investigation at Foxconn Chengdu (and two other Foxconn factories in Shenzhen). The FLA ostensibly scrutinized Apple’s corporate behavior, including its purchasing practices and supplier code enforcement. In practice, the systemic abuses of student workers at Foxconn factories in Chengdu and other cities were not mentioned, let alone ended. See

Apple claims to exercise its power of “private governance” to improve workers’ lives involved in outsourced electronics production,³⁶⁷ which is based on the asymmetric power structure in its global supply chain, either on its own or in partnership with the Fair Labor Association and other non-governmental organizations. “The same leverage [of large firms] that can be used to demand lower prices and better quality from suppliers,” in the analysis of Frederick Mayer and Gary Gereffi, “can also be used to press for better labor practices.”³⁶⁸ Foxconn workers and interns, however, testify that iPads are produced under unethical and unsafe conditions. The promises of corporate care and responsibility are broken again and again.

Buyer-Driven Global Supply Chain

Pressure from brands is immediately translated into increased pressure on workers, primarily in the form of speedups and longer working hours, at times resulting in tragic consequences such as workplace metal-dust accumulation and deadly explosions. We can now attempt to make the power structures within the *buyer-driven* global production chain transparent.

Foxconn, in my analysis, is the head servant of Apple in the global supply chain; it remains subordinate to decisions made by its buyers. Its heavy dependence on Apple has been a source of its rise and profit. A buyer-driven production chain highlights the role of buyers as chain drivers, who organize the manufacturing of their commodities through multi-layered contractors and subcontractors in “a network of labor and production processes whose end result is a finished commodity.”³⁶⁹ Global brands and retailers often enjoy a commanding position in the hierarchical network.

Amidst fierce global competition, big suppliers have taken advantage of a large pool of cheap labor in Asian countries (as well as in central and south Americas, Eastern Europe, and other places), which dominate electronics, apparel, and footwear manufacturing in global production. Some scholars have observed a shift of power from large buyers to large suppliers.³⁷⁰ The common assessment is that “the

chapter 6 in this dissertation for further discussions.

³⁶⁷ Richard M. Locke, 2013, *The Promise and Limits of Private Power: Promoting Labor Standards in a Global Economy*, Cambridge: Cambridge University Press, pp. 6-9.

³⁶⁸ Frederick Mayer and Gary Gereffi, 2010, “Regulation and Economic Globalization: Prospects and Limits of Private Governance,” *Business and Politics* 12(3), p. 8.

³⁶⁹ Terence K. Hopkins and Immanuel Wallerstein, 1986, “Commodity Chains in the World-Economy Prior to 1800,” *Review* (Fernand Braudel Center) 10(1), p. 159.

³⁷⁰ See, for example, Richard P. Appelbaum, 2009, “Big Suppliers in Greater China: A Growing Counterweight to the Power of Giant Retailers,” in *China and the Transformation of Global*

information and power asymmetries that characterized ‘buyer-driven’ chains have diminished.”³⁷¹ However, my multi-year research points to a more nuanced relationship between “big suppliers” and “big buyers.”

Nowadays, the commodity or supply chain is no longer highly dispersed but concentrated in a few countries, notably China, but also India, Brazil, and South Africa.³⁷² Foxconn’s bargaining power has been growing as it improves production technologies and acquires partners as well as competitors to race to move up the global production hierarchy. The Taiwanese transnational corporation has risen to become the largest, most powerful, and technically advanced of the enterprises engaged in electronics assembly in China and in the world.

However, brand-name technology giants are still controlling key decisions over their suppliers. Not only do they capture a large share of profit in the industry, but they are also in a position to dictate the timing of product delivery, price, product quantity and quality in their supply chain. Their marketing and branding capability enables them to retain greater power while working with Foxconn. It is true that Foxconn has established a strong position as a maker of a full range of high-tech products, and in my assessment, Apple cannot afford to cut its ties with Foxconn. But Foxconn is heavily dependent on large orders from global brands to stay profitable.

If Apple is the most successful electronics brand in history, it, as well as Samsung and other companies, faces fierce global competition. Karl Marx’s enduring insight underlies this point: “Under free competition, the immanent laws of capitalist production confront the individual capitalist as a coercive force external to him.”³⁷³ To maintain its leading position, Apple is compelled to streamline its supply chain management to enhance profits and diversify risks, transferring *direct* pressure to chief supplier Foxconn, and through it to frontline workers and staff.

Capitalism, edited by Ho-fung Hung, Baltimore: The Johns Hopkins University Press, pp. 65-85; Richard P. Appelbaum, 2011, “Transnational Contractors in East Asia,” *The Market Makers: How Retailers are Reshaping the Global Economy*, edited by Gary G. Hamilton, Misha Petrovic and Benjamin Senauer, Oxford: Oxford University Press, pp. 255-68.

³⁷¹ Gary Gereffi, 21 May 2013, “Response to Richard M. Locke: Can Global Brands Create Just Supply Chains,” *Boston Review*.

<http://www.bostonreview.net/forum/can-global-brands-create-just-supply-chains/host-countries-can-a>

³⁷² Edward Webster, Rob Lambert and Andries Bezuidenhout, 2008, *Grounding Globalization: Labour in the Age of Insecurity*, Malden, MA: Blackwell Publishing; Boy Lütjhe, Stefanie Hürtgen, Peter Pawlicki and Martina Sproll, 2013, *From Silicon Valley to Shenzhen: Global Production and Work in the IT Industry*, Lanham, MD: Rowman and Littlefield.

³⁷³ Karl Marx, [1867] 1990, *Capital: A Critique of Political Economy*, Volume One, translated by Ben Fowkes, London: Penguin Classics, p. 381.

Apple's profit margins are far higher than Foxconn's. Distribution of the value created in our iPhones and iPads, as discussed in this chapter, is highly uneven. Behind the "Made in China" label is a vast network of global brands, high-end component suppliers, and low value-added final-assemblers and subcontractors. Looking beyond the shiny iPads, I entered into the working lives of Apple's outsourced workers in Chengdu, southwestern China. The young Sichuanese migrants from local villages and towns were struggling for fundamental rights to a work-life balance, decent wages, and a safe and healthy working environment. As production requirements tightened under intense market competition, and the speed of the line relentlessly increased, labor crises have also intensified

Concluding Remarks

"Taiwan's history of economic growth is also a history of technological catastrophes."³⁷⁴ Thus Hsin-Hsing Chen highlights the suffering of 1,395 former workers of RCA (Radio Corporation of America), who were poisoned by trichloroethylene at the workplace and diagnosed with cancer. In response, RCA shut down the Taoyuan factory and migrated elsewhere, without compensating the terminally ill. This worker tragedy is not an isolated example. With Taiwanese and international capital entering China, workers are similarly subject to life-threatening risks of globalized electronics production.

Apple, together with other firms, has created global consumers with its products, and through Foxconn and other subcontractors it has simultaneously contributed to the creation of a new Chinese working class. Foxconn, given its corporate power and intricate ties with the Chinese government at all levels (including state media agencies), has manufactured not only signature electronic goods for global brands, but also occupational injuries and deaths, while refusing to accept even minimal responsibility. The following lyrics convey the sense of the heavy human cost behind transnational manufacturing.

A Worker's Requiem

My body stretches long
lying within a bare building
obstructing the cityscape,

³⁷⁴ Hsin-Hsing Chen, 2011, "Field Report: Professionals, Students, and Activists in Taiwan Mobilize for an Unprecedented Collective-Action Lawsuit against a Former Top American Electronics Company," *East Asian Science, Technology and Society* 5(4), p. 563.

sealed tightly in cement
burying my story

With each mouthful of toxic dust inhaled
profit is exhaled
following prices' rise and fall
each annual fireworks squander
burning my breath

Back bent I furtively twitter
computers nibble away life
backpack heavy on shoulder
muscles and bones strained to the limit
concealing my hardship

My body conveys a message:
reject this false prosperity
leave the corner of darkness—
strained body and soul embrace each other
still you and I will not yield

Teardrops accumulate,
collecting sediments of months and years of weight
of course, dreams are repeatedly shattered
but spirits always sing in the wind
of a worker's story.

— Mininoise, Hong Kong grassroots folk band
(Translated by Gregory Fay and Kyoko Selden³⁷⁵)

In holding Foxconn and other suppliers responsible for the wide range of labor problems, Apple ignores its own purchasing practices, such as order specification and sales forecasting, and the direct impact of its production deadlines on suppliers' capacity to schedule working hours and ensure worker safety. The next chapter unveils what it is like to work inside the Foxconn Empire, and to experience this pressure at firsthand.

³⁷⁵ Dedicated to the memory of Kyoko Iriye Selden (1936-2013).

Chapter 5

Inside Foxconn

Growth, thy name is suffering.³⁷⁶

A harsh environment is a good thing.³⁷⁷

Obey, obey, and absolutely obey!³⁷⁸

Execution is the integration of speed, accuracy, and precision.³⁷⁹

Outside the lab, there is no high-tech, only implementation of discipline.³⁸⁰

—Foxconn CEO Terry Gou's *Quotations*

Gou's Quotations is a collection of Foxconn CEO Terry Gou's work philosophy, a project emulating Chairman Mao's Little Red Book of an earlier era. Inside the Foxconn "Forbidden City," as the workers call it, a collection of quotations adorns the factory walls, underlining the ethos that drives the workers and staff.

Facing fierce competition, Foxconn strives to tighten labor processes, control costs, and expand engineering and manufacturing technologies to maintain its position as the most trusted name in contract manufacturing services. It recruits mostly teens and young adults to run the assembly lines. "Over 85 percent of Foxconn's employees are rural migrant workers between 16 and 29 years old," a human resources manager said.³⁸¹ The latest company report stated that 93.3 percent of its labor force were younger than 32 years of age.³⁸² Foxconn in this respect is emblematic of the national pattern. From the 1980s, rural migrants have moved from constituting a marginal part of the Chinese industrial labor force to dominating it in numerical terms, reversing the situation prior to market reform, in which their movement had been severely limited by state restrictions on rural-to-urban migration. They are the mainstay of new urban industrial labor. Official data in 2009 showed that of all rural migrants, 42 percent were between 16 and 25 years old and another

³⁷⁶ *Chengzhang, ni de mingzi jiu jiao tongku* (成長，你的名字就叫痛苦).

³⁷⁷ *Huanjing yanke shi jian haoshi* (環境嚴苛是件好事).

³⁷⁸ *Fucong, fucong, juegui fucong* (服從，服從，絕對服從)!

³⁷⁹ *Suwei zhixingli, jiushi sudu, zhundu, jingdu de quanmian guanche* (所謂執行力，就是速度、準度、精度的全面貫徹).

³⁸⁰ *Zouchu shiyanshi jiu meiyou gaokeji, zhiyou zhixing de jilü* (走出實驗室就沒有高科技，只有執行的紀律).

³⁸¹ Manager interviewee 5.

³⁸² Foxconn Technology Group, 2013, "2012 Corporate Social and Environmental Responsibility Annual Report," p. 12. <http://ser.foxconn.com/ViewAnuReport.do?action=showAnnual>

20 percent were between 26 and 30.³⁸³ A clear distinction, however, is this: the relative youthfulness of Foxconn's labor force is indicative of the phenomenon that workers burn out young.

Foxconn Factory “Campus”

At nearly 7 a.m., hundreds of thousands of Foxconn workers pour in and out of the south main gate of the Longhua factory in Shenzhen. The human flow continues for more than an hour. Among the flow of people, most are young workers in their jeans and sports shoes. Male workers wear dark blue Foxconn t-shirts and female workers bright red. Night-shift workers head in one direction, cross the footbridge, and pour into the shopping malls and street markets that have grown up around the factory. Day-shift workers cross the same footbridge, in the opposite direction, heading toward the main factory gate to get start to work.

Foxconn is a key node in the global production network, where the assembly and shipment of finished products to world consumers continues around the clock 24 hours a day, 365 days a year. The Foxconn “campus,” as the managers like to call it, organizes production and daily labor reproduction activities in a densely populated, self-contained environment. The Longhua complex of 1.75 million square meters — larger than the entire new “University City” in Shenzhen — includes multi-story factories, warehouses, dormitories, banks, two hospitals, a post office, a fire brigade with two fire engines, an exclusive television network, an educational institute, a library, soccer fields, basketball courts, tennis courts, track and field areas, swimming pools, cyber theatres, shops, supermarkets, cafeterias and restaurants, an employee care and support service centre, and even a wedding dress shop. The complex is equipped with advanced production facilities since it is the model factory for customers, government officials, and visitors from media organizations and other inspection units. Container trucks and forklifts rumble nonstop, serving a grid of factories that churn out iPhones, iPads, Kindles, and other electronic products for Apple and other mega-corporations.

Foxconn follows a strict policy of “not commenting on any current or potential customers or their products” when handling my research inquiries.³⁸⁴ I rely on workers' and managers' account of their daily lives and working environment behind

³⁸³ National Bureau of Statistics, 2010, “2009 Nian Nongmingong Jiance Diaocha Baogao” (Monitoring and Investigation Report on the Rural Migrant Workers in 2009) 2009 年農民工監測調查報告. http://www.360doc.com/content/13/1016/14/7157405_321860376.shtml

³⁸⁴ Foxconn's 7-page statement dated 31 December 2013, p. 1.

the factory walls. Wherever appropriate, I also present company documents to validate my interview data. The Longhua factory floor plan shows that there are ten zones listed from A to H, J, and L, and they are further subdivided into A1, A2, A3, J20, L6, L7, and so on (see Figure 5.1). It takes almost an hour to walk from the south main gate to the north main gate, and another hour to walk from the east to the west gate.

Figure 5.1 Foxconn Floor Plan (Shenzhen Longhua)



Source: Foxconn company publication.

The spatial organization of modern factory production seems to show the significance of Foxconn's "business groups" at the heart of its industrial empire. Each of the 15 business groups occupies a large space, organizes around specific customers and/or products, and clusters in designated places under 24-hour high security. Zone G, for example, is reserved for iDPBG (integrated Digital Product Business Group) — the Apple product group. Tian Yu told me, "I arrived late for my first day of work. The factory was so big, and I got lost." Yu did not know what each building was, nor did she know the meaning of the English acronyms that could be seen written everywhere, such as FIH (Foxconn International Holdings) and JIT (just-in-time) Hub. She remarked, "I spent a long time looking for the [iDPBG] workshop."³⁸⁵ When asked if she was scolded for being late, she answered so quietly that I could not hear her response.

From the moment that Yu and her co-workers enter the factory gate, they are monitored by a security system unlike any found in nearby electronic components and plastics processing companies. Every building has security checkpoints with guards standing by 24 hours a day capable of initiating total lockdown. Workers pass through layers of electronic gates and Special Security Zones³⁸⁶ before arriving at the respective production workshop to start work. A male worker conveyed the feeling that "I've lost my freedom" in the tightly guarded factory. "Foxconn has its own force, just as a country has an army and police. The security system is a powerful instrument of rule for the Foxconn Empire."³⁸⁷

Foxconn justifies the company surveillance system by its contractual responsibility to secure its customers' intellectual property. A female worker said, "We're not allowed to bring cell phones, digital recording devices or any metallic objects into the workshop. If there's a metal button on my clothes, it has to be removed, otherwise I wouldn't be allowed in, or security officers would simply cut the metal button off."³⁸⁸

³⁸⁵ Worker interviewee 1.

³⁸⁶ *Teji anbao qu* (特級安保區)

³⁸⁷ Worker interviewee 5.

³⁸⁸ Worker interviewee 6.



Foxconn workers are required to wear non-metallic belts to pass through company metal-detector gates for security purpose. Photo credit: Jenny Chan.

As workers prepare to begin a shift, managers call out: “How are you?” Workers must respond by shouting in unison, “Good! Very good! Very, very good!”³⁸⁹ This drill is said to train disciplined workers. A laser-soldering worker reported, “Before shift-time, a whistle sounds three times. At the first whistle we must rise, and put our stools in order. At the second whistle we must prepare to work, and put on special gloves or equipment. At the third whistle, we sit and work.”³⁹⁰

A line leader explained that every worker is required to “present a good image to company clients.”³⁹¹ Foxconn’s “8S” policy is built upon the “5S” Japanese management method to improve efficiency and organizational performance, which refers to Seiri (sort), Seiton (set in order), Seiso (clean), Seiketsu (standardize the first “3S” procedures) and Shitsuke (sustain the efforts of seiri, seiton, seiso and seiketsu), to which are added Safety, Saving, and Security to comprise the Chinese system.³⁹² The posture of workers’ sitting or standing is monitored no less than the

³⁸⁹ Worker interviewees 8, 11 and 29.

³⁹⁰ Worker interviewee 18.

³⁹¹ Worker interviewee 12.

³⁹² Foxconn Employee Handbook, September 2010, pp. 12-13. “8S,” in Chinese: 整理、整頓、清掃、清潔、素養、安全、節約、保密。

work itself. “We cannot move past a yellow and black ‘zebra line’ on the floor,” a worker told me as she explained the position her stool must be placed while working on the assembly line.³⁹³

“No talking, no laughing, no sleeping” is the number one factory rule. Any behavior that violates production discipline is penalized. “Going to the toilet for more than ten minutes incurs an oral warning, and chatting during work time incurs a written warning,” a worker explained.³⁹⁴ Aside from these listed punishments, other disciplinary methods include cancellation of performance prizes, refusing promotion, and various methods not sanctioned in the Foxconn Employee Handbook such as verbal abuse and compulsory copying of *Gou’s Quotations*. A worker recounted a situation, “My friend was responsible for screwing screws onto cell phones. Once he missed a screw by mistake which QC [quality control] caught. When the line leader learned this, he yelled at him and forced him to copy the CEO’s quotations 300 times!”³⁹⁵

In a group interview several women employees discussed a ritualistic punishment that they had to endure. Their collective experience was articulated most clearly by one worker of this group.

After work, all of us — more than 100 people — are sometimes made to stay behind. This happens whenever a worker is punished. A girl is forced to stand at attention to read aloud a statement of self-criticism. She must be loud enough to be heard. Our line leader would ask if the worker at the far end of the workshop could hear clearly the mistake she had made. Oftentimes girls feel they are losing face. It’s very embarrassing. She starts to cry. Her voice becomes very small... Then the line leader shouts: “If one worker loses only one minute [failing to keep up with the work pace], then, how much more time will be wasted by 100 people?”³⁹⁶

Foxconn maintains a policy of demerit points to drive workers to work harder. Another woman worker explained: “The policy penalizes workers for petty offences. I can lose points for having long nails, answering back, and sleeping on the floor during the work shift. There are so many things. Just one penalty means losing my

³⁹³ Worker interviewee 17.

³⁹⁴ Worker interviewee 19.

³⁹⁵ Worker interviewee 24.

³⁹⁶ Worker interviewee 6.

monthly bonus.”³⁹⁷

Foxconn prohibits conversation during work in the workshop. A worker recalled, “Friendly chit-chat among co-workers is not very common even during the break; everyone rushes to queue up for lunch and eat quickly.”³⁹⁸ A long work day of enforced silence, punctuated only by the noise of the machines, is the norm.

“Our Sisters and Brothers,” or Strangers?

“Hand in hand, heart to heart, Foxconn and I grow together,”³⁹⁹ reads a bright red Foxconn banner above the production line. It suggests that the workers and the company identify with each other. But, behind the image of “a warm family with a loving heart,” the life of a Foxconn worker is very isolating.

Foxconn’s working hours are notoriously long, as Yu — the then new worker — soon experienced. “I woke up at 6:30 a.m., attended an unpaid morning meeting at 7:20 a.m., started work at 7:40 a.m., went to lunch at 11, and then usually skipped the evening meal to work overtime until 7:40 p.m.”⁴⁰⁰ On top of the 12-hour shift, like all other workers, Yu attended compulsory work meetings every day.

Yu worked on the production line for more than a month and made no friends. With only a single day off every second week, there was no spare time for Yu to use the facilities like swimming pools or tennis courts, or even to window shop for smartphones in the commercial districts within the enormous Longhua complex.

“At Foxconn, when I felt lonely, I would sometimes chat on QQ online,” Yu told me. But those chatting on QQ remain far apart in time, space, and experience.

“I was switched to the night shift in March.” The exhausting assembly line, harsh factory discipline, and friendless dormitory, together with the difficulty Yu faced contacting her friends and family, were compounded by the company’s apparent failure to pay her. She reached breaking point. Her testimony reveals just how overwhelmed she felt, “I was so desperate that my mind went blank.”

³⁹⁷ Worker interviewee 28.

³⁹⁸ Worker interviewee 18.

³⁹⁹ *Shou qian shou, xin lian xin, Fushikang yu wo gong chengzhang* (手牽手，心連心，富士康與我共成長).

⁴⁰⁰ Worker interviewee 1.

At about 8 a.m. on 17 March 2010, Yu jumped from the fourth floor of her dormitory building in despair. After 12 days in a coma, she awoke to find that her body had become half-paralyzed. She is now confined to bed or a wheelchair for the rest of her life.

Would Yu have tried to commit suicide if the company had not failed to pay her wages, or if she happened to work at another factory, somewhere smaller and less pressurized than Foxconn? CEO Terry Gou distances the company from any responsibility for Yu's and the other suicides. In a media interview on employee suicides, he highlighted the "emotional problems" of Chinese workers: "If a worker in Taiwan commits suicide because of emotional problems, his employer won't be held responsible, but we are taken to task in China because they are living and sleeping in our dormitories."⁴⁰¹ With a media storm brewing, he felt compelled to take some remedial action.

The company announced plans to raise workers' wages beginning 1 June 2010. It also required all job applicants to complete a 36-question psychological test.⁴⁰² From the company's perspective, those with weak capability to handle "personal problems" were the source of the troubles. The Foxconn corporate human resources director moved to require workers to sign a no-suicide pledge containing a disclaimer clause:

Should any injury or death arise for which Foxconn cannot be held accountable (including suicide and self-mutilation), I hereby agree to hand over the case to the company's legal and regulatory procedures. I myself and my family members will not seek extra compensation above that required by the law so that the company's reputation would not be ruined and its operation remains stable.⁴⁰³

The no-suicide "consent letter" sought not only to limit Foxconn's liability but to place responsibility for all future suicides on the individual worker. Foxconn dropped this administrative requirement⁴⁰⁴ only after intense criticism by workers

⁴⁰¹ Quoted in Peh Shing Huei, 11 June 2010, "It's Time to Dismantle Factory Towns," *The Straits Times*.

<http://www.chinapost.com.tw/commentary/the-china-post/special-to-the-china-post/2010/06/11/260248/p1/It%27s-time.htm>

⁴⁰² Worker interviewee 26.

⁴⁰³ China Central TV, 28 May 2010, "Letter of Consent Exposed at Foxconn."

<http://english.cntv.cn/program/china24/20100528/100754.shtml>

⁴⁰⁴ Manager interviewee 5.

and from wider society.

In damage-control mode, in May 2010, Foxconn quickly installed safety nets to prevent workers from leaping to their deaths. In the two mega factory complexes in Longhua and Guanlan towns in Shenzhen, and in all its manufacturing bases across China, nets have now been installed. A Foxconn employee reflected, “I feel really constrained since the suicides.” Her factory dormitory room is long and narrow with four metal double-bunk beds, two on each side. At the far end of the room is a cement balcony fenced in by metal bars to prevent workers from leaping from the window. “Now everywhere there are nets. They’ve placed the safety nets around the roofs, on both sides of corridors, and all the windows were covered with wire and locked tight. It gives you a really constricted feeling. I am depressed.”⁴⁰⁵

“We’re Faster Than the Machines.”

The electronics parts are assembled quickly as they move along the 24-hour non-stop conveyor belts. Posters on the Foxconn workshop walls intone:

Value efficiency every minute, every second.⁴⁰⁶

Achieve goals or the sun will no longer rise.⁴⁰⁷

The devil is in the details.⁴⁰⁸

Every second counts towards profit. “I take a motherboard from the line, scan the logo, put it in an anti-static bag, stick on a label, and place it on the line. Each of these tasks takes two seconds. Every ten seconds I finish five tasks,” a worker reported.⁴⁰⁹ After the suicide peak, in June 2010, managers ordered line leaders to limit workers’ overtime to stabilize conditions. “But quotas for our time at work have in fact gone up! It’s very simple, what once took six to seven days to complete must now be finished in five, since the company cannot fail to complete orders on time because of limits on workers’ overtime. That is to say, the orders haven’t changed but production time has decreased. As a result, we’re compelled to work even faster than the machines,” an iPad assembly-line worker explained.⁴¹⁰

⁴⁰⁵ Worker interviewee 3.

⁴⁰⁶ *Zhongshi xiaoli, fenfen miaomiao* (重視效率，分分秒秒).

⁴⁰⁷ *Mubiao dacheng, chufei taiyang buzai shengqi* (目標達成，除非太陽不再升起).

⁴⁰⁸ *Mogui cangzai xijie li* (魔鬼藏在細節裡).

⁴⁰⁹ Worker interviewee 10.

⁴¹⁰ Worker interviewee 43.

After the basic wage increase in June 2010, Foxconn hiked production quotas, demanding greater labor intensity. A casing-assembly worker reported: “Production output of iPhone casings was previously set at 5,120 pieces per day; but in July, it was raised by 25 percent to 6,400 pieces per day. I’m completely exhausted.”⁴¹¹ Also, Foxconn engineers have already installed “Foxbots” at the manufacturing plants to raise productivity. Foxbots are robot arms that excel in spraying, welding, and high-precision printed circuit board assembly. In recent years, “the company stepped up technological research into robots in the face of rising wages and growing labor protest.”⁴¹² CEO Terry Gou told a journalist in July 2011 that the company’s then 10,000 robots would be increased to 300,000 in 2012, and one million by 2014.⁴¹³

Industrial engineering is at the heart of Foxconn’s gigantic production operation. Management values its engineers, “but they are our enemies; we hate them,” a worker told me.⁴¹⁴ The engineers are responsible for finding ways to speed up production and make it more efficient, based on principles of measuring the most minute worker operations. They study the entire industrial process in staggering detail, simplify procedures, formulate standards, and put them into practice to minimize costs and maximize efficiency.⁴¹⁵ In September 2013, as Foxconn faced tight deadlines for shipment of two new models of iPhones, the 5s and 5c, it pushed workers to stay laser-focused “every minute, every second.”⁴¹⁶ The division of labor is so detailed that workers see themselves as a mere “cog in the machine.”⁴¹⁷

Meal times and rest breaks are occasionally shortened or even cut to meet high production quotas. In the iPhone workshop, a female worker⁴¹⁸ told me that “hourly production quotas are pasted on the big white boards. They’re displayed for auditors from Apple. Our actual quotas are set even higher than those publicly presented.”⁴¹⁹

⁴¹¹ Worker interviewee 11.

⁴¹² Manager interviewee 13.

⁴¹³ Quoted in *Xinhua*, 30 July 2011, “Foxconn to Replace Workers with 1 Million Robots in 3 Years.” http://news.xinhuanet.com/english2010/china/2011-07/30/c_131018764.htm

⁴¹⁴ Worker interviewee 16.

⁴¹⁵ See also, Frederick Winslow Taylor, [1911] 1998, *The Principles of Scientific Management*, Mineola, New York: Dover Publications; William M. Tsutsui, 1998, *Manufacturing Ideology: Scientific Management in Twentieth-Century Japan*, Princeton: Princeton University Press.

⁴¹⁶ Manager interviewee 14.

⁴¹⁷ See also, Robert Blauner, 1964, *Alienation and Freedom: The Factory Worker and His Industry*, Chicago: The University of Chicago Press.

⁴¹⁸ Worker interviewee 42.

⁴¹⁹ Foxconn is not the only company which falsified data or covered up factory conditions from inspections. On supplier social audits, and their intended and unintended outcomes, see for example, Richard M. Locke, Ben A. Rissing and Timea Pal, 2013, “Complements or Substitutes? Private Codes, State Regulation and the Enforcement of Labour Standards in Global Supply Chains,” *British Journal of Industrial Relations* 51(3), pp. 519-52; Richard M. Locke, Matthew Amengual and Akshay Mangla. 2009, “Virtue out of Necessity?: Compliance, Commitment and the Improvement of Labor Conditions

Workers and line leaders are constantly pushed to reach ever higher outputs in response to quotas set by buyers such as Apple and other global electronic giants. “We know all too well that branded electronic products are expensive and there is no margin for mistakes,” a female worker told me, as she described her worries at work and fear of being punished.⁴²⁰

The pressures to compete with each other to win the annual production bonus remain strong. A job evaluation system of Grades A, B, C, and D was jointly developed by industrial engineers and human resources managers to prompt workers to do overtime work, and not to take leave, otherwise the bonus would be withheld. “We can’t stand this demanding production assignment anymore and want to resign. We wait and wait but can’t get approval. Production is very busy. So we have no choice but to leave, losing our last month’s pay. This is money earned with sweat. We leave Foxconn in this way hating the company to the very marrow of our bones,” two former workers recalled, as they described their “voluntary resignation.”⁴²¹

Wages and Benefits

Foxconn is not short of new applicants, despite the work pressures. Dissatisfied or worn out workers are easy to replace. In the wake of the string of suicides, Foxconn’s promise to increase pay, repeated through the media, attracted many newcomers. Posters and fliers are stuck on lamp posts, footbridges, and display boards around the factory area to entice people to work at Foxconn. During my fieldwork in February 2011, outside the four-story Foxconn Recruitment Center, “more than 4,000 workers were recruited per day on average soon after the Chinese Lunar New Year holidays,” according to the chief recruitment officer.⁴²² Each job application form has a barcode on the upper right-hand corner. Foxconn administrative assistants scanned the completed forms and input the personal data into the computer system. Corporate public communications director Liu Kun said, “the sheer number of people applying to work there every day, roughly 8,000, proves Foxconn is not the ‘sweatshop’ some labor activists and media claim.”⁴²³ What Liu did not mention was the high turnover rate at Foxconn.

in *Global Supply Chains*,” *Politics & Society* 37(3), pp. 319-51.

⁴²⁰ Worker interviewee 9.

⁴²¹ Worker interviewees 7 and 8.

⁴²² Manager interviewee 2.

⁴²³ Quoted in Li Li, 12 June 2010, “Alleviating Workplace Stress,” *Beijing Review*.
http://www.bjreview.com.cn/nation/txt/2010-06/12/content_279009.htm

New workers at Foxconn receive a three-year contract, beginning with an extended probation period of three to six months. A colorful 2011 recruitment poster exults, “Pool the whole country’s talent, paint splendid prospects.”⁴²⁴ Males or females, who are aged 16 or above, have completed middle school, and who are in good physical and mental health, are invited to apply for work.

聚四海菁英 绘锦绣鸿图
富士康2011秋季普工招募正式启幕

一、招工标准

1. 持本人二代身份证原件;
2. 年龄16周岁以上, 男女不限;
3. 学历: 初中以上学历;
4. 身心健康, 无影响团体健康之传染疾病、潜伏性疾病。

二、招工时间
即日起, 每周一至周六8:00-16:00 (如有变化, 另行通告)。

三、薪酬福利

月收入: A. 入职基本薪资不低于1550元/月, 综合收入1550-2500元/月。
B. 试用期满六个月起, 基本薪资不低于1650元/月; 再进行三个月考核, 考核合格者基本薪资不低于2000元/月, 综合收入2000-3300元/月。

招工声明
富士康招工不收任何费用, 谨防上当受骗!

“Pool the whole country’s talent, paint splendid prospects” — a Foxconn worker in Shenzhen will receive (A) the basic monthly wage of 1,550 Yuan; (B) after probation (six months), 1,650 Yuan; after evaluation (three more months), 2,000 Yuan. Total income, with overtime: 2,000-3,300 Yuan/Month. Photo credit: Jenny Chan.

⁴²⁴ *Ju sihai jingying, hui jinxiu hongtu* (聚四海菁英, 繪錦繡鴻圖).

Foxconn's young workforce provides great physical dexterity, and is able to work faster and longer hours. Indeed, age and physical flexibility are the key traits that determine whether an applicant is taken on at Foxconn. A 20-year-old job applicant described his experience of being hired:

I came to Foxconn for a physical examination and job interview. The recruitment officer required us to put our things down, extend our arms and spread our five fingers, which they turned over and inspected. Some of us were asked to do simple stretches to see if we're capable of smooth movement. During the physical examination, they checked our chests, abdomens, and backs for scars, then while measuring height everyone was made to say aloud our full names, to prove we're not deaf or mute. At that time I had a feeling, like a person about to be sold, that the master was selecting those who were robust, healthy, and worth hiring, and discarding those who were not even qualified to be laborers.⁴²⁵

Foxconn, in accordance with the Chinese law, adopts an occupation-based welfare system, that is, it is based on employer and employee contributions. Employers are legally required to provide five types of social insurance (including old age pensions, medical insurance, work injury insurance, unemployment benefits, and maternity insurance), plus a housing provident fund.⁴²⁶ Foxconn pays 10 percent of the employee's basic wage for social insurance, and deposits it with the local government social insurance department, while employees pay 8 percent of their wages every month. For example, in Foxconn's factory in Shenzhen, the minimum monthly insurance premium in total as of 2011 was: the employer paid 155 Yuan (10% of 1,550 Yuan) and the employee paid 124 Yuan (8% of 1,550 Yuan). Foxconn also stipulates the housing rate at the statutory minimum level, that is, 5 percent of workers' basic wages (77.5 Yuan).

Chen Ximei,⁴²⁷ a new migrant from southwestern China's Guizhou province, showed me her December 2011 Foxconn wage slip with the following deductions: social insurance, 124 Yuan/month; housing provident fund, 77.5 Yuan/month; factory dormitory rent, 110 Yuan/month; for a total of 311.5 Yuan. She said, "My biggest expenditures are food, sundry items, clothes and accessories, and cell phone charges,

⁴²⁵ Worker interviewee 18.

⁴²⁶ *Wuxian yijin* (五險一金).

⁴²⁷ Worker interviewee 42.

adding up to some 800 Yuan.” “If it were not for overtime,” she emphasized, “I’d certainly feel the pressure.” Even though she has a surplus of about 400 Yuan per month *without* working overtime, in the event of critical illnesses or injuries, she would face a heavy financial burden. At Foxconn, only 70 percent of the medical fees would be reimbursed for “the qualified staff.”⁴²⁸

Grievances about pay, work stress, and unreasonable production demands sometimes culminated in open conflicts.⁴²⁹ If a target is not fulfilled, Foxconn workers have to stay on the production line to finish it. Workers frequently report that “overtime is not fully documented, with the result that overtime wages are unpaid or under-paid.”⁴³⁰ This happened when line leaders under-reported extreme (and illegal) overtime hours, fearing punishment by higher-ups. In my interviews, workers repeatedly spoke of “exhaustion to the point of tears.”⁴³¹ They were often required to work on Saturdays and Sundays during the production peak season. While they should be paid double in accordance with the law, they were instead given rest days during low season to offset the overtime premiums.⁴³²

“My Brain Rusts.”

With the meager income of assembly-line workers, coupled with their repetitive and mind-numbing jobs, many workers interviewed feel anxious about their future. Protracted 12-hour work breaks the endurance and health of even the strongest. A young female worker described herself as “a part” on the production line:

I serve as a part in the visual inspection work station, which is part of the static electricity assembly-line. While the adjacent soldering oven delivers smartphone motherboards, both my hands extend to take the motherboard, then my head starts shifting from left to right, my eyes move from the left side of the motherboard to the right side, then stare from the top to the bottom, without interruption, and when something is off, I call out, and another human part similar to myself will run over, ask about the cause of the error, and fix it. I repeat the same task thousands of times a day. My brain rusts.⁴³³

⁴²⁸ Foxconn Employee Handbook, 2010, “Medical Benefits,” p. 9.

⁴²⁹ See chapter 9 in this dissertation for further discussions.

⁴³⁰ Worker interviewees 31 and 40.

⁴³¹ Worker interviewees 4, 5 and 13.

⁴³² Worker interviewees 36, 37, 38 and 39.

⁴³³ Worker interviewee 25.

Harry Braverman argued in his classic book on the labor process that control of the workforce is rooted in the process of deskilling, which requires a separation between the planning and execution of work.⁴³⁴ Foxconn exemplifies the deskilling and routinization principle relentlessly applied to increase productivity and lower production costs. Each worker specializes in one specific task and performs repetitive motions at high speed, hourly, daily for months on end. In turn, the production system removes any possibility of feelings of freshness or accomplishment.

A 16-year-old worker expressed her frustration: “I find it very difficult to identify my own contributions to the products assembled through numerous repetitions of a few operations.”⁴³⁵ Her friend’s comment is also often heard, “I don’t learn anything here. I install Wi-Fi components in iPads each day. I never master any skills.”⁴³⁶ On the iPad line, each of the five workers at the same work station files the aluminum burrs off the Apple-logo hole 6,000 times a day.⁴³⁷ A male worker bitterly remarked, “After work, if your eyes are glazed over, your head and face are filthy with grime, and there is a lifeless look in your eyes, you are a Foxconn worker!”⁴³⁸

“Foxconn believes that employees are its most valuable intangible asset and the lifeblood of its business,” the company annual report declared immediately after the 2010 suicides, as it touted high corporate ideals framed in terms of a “people-oriented leadership style.” It continues to read, “Foxconn...promotes sustainability, stability, development, technology, internationality, and responsibility for the advancement of social welfare and the human good.”⁴³⁹ In practice, commanding more than 1.4 million workers all over China, Foxconn has devised a militaristic management system that prioritizes the control of labor.

⁴³⁴ Harry Braverman, [1974] 1998, *Labour and Monopoly Capital: The Degradation of Work in the Twentieth Century*, New York: Monthly Review Press.

⁴³⁵ Worker interviewee 23.

⁴³⁶ Worker interviewee 14.

⁴³⁷ Worker interviewee 36.

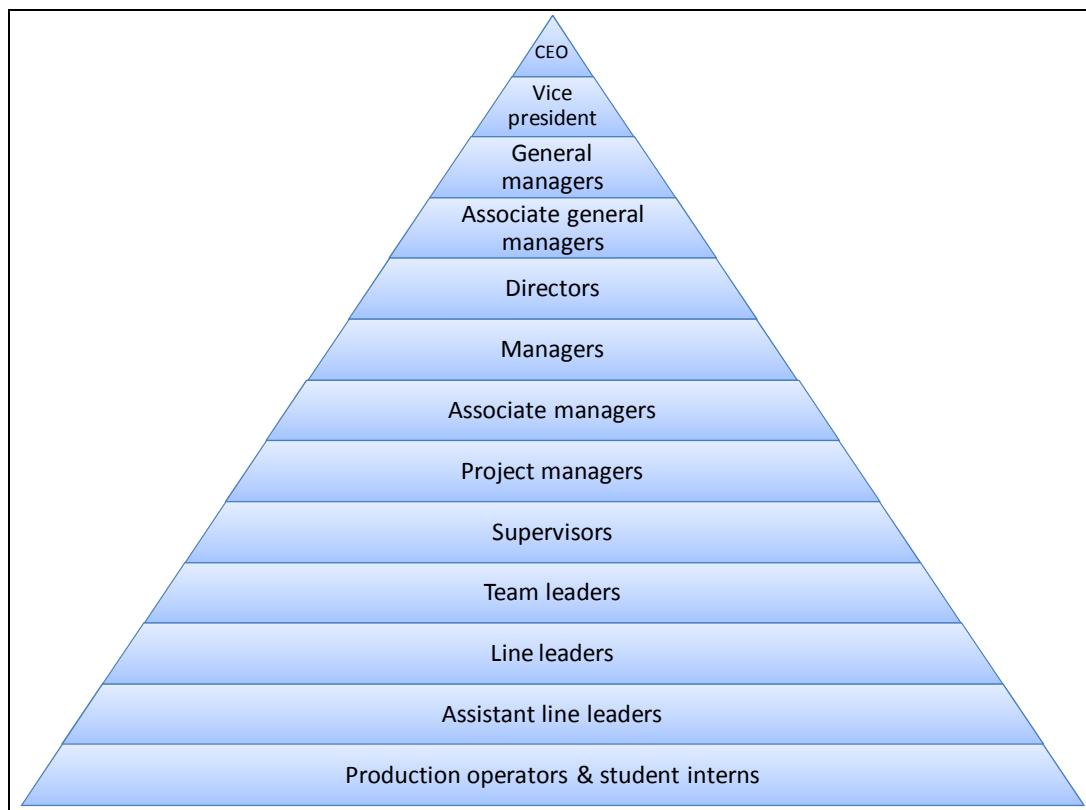
⁴³⁸ Worker interviewee 41.

⁴³⁹ Foxconn Technology Group, 2011, “2010 Corporate Social and Environmental Responsibility Annual Report,” p. 6. <http://ser.foxconn.com/ViewAnuReport.do?action=showAnnual>

Militaristic Management System

Management organizes labor through a centralized system in which production lines are administered by departments, which are directly responsible to their business units, business divisions, and ultimately business groups. The 13-level hierarchy is organized with clear lines of command. Senior leaders formulate the corporate development strategy and set annual revenue and profit goals. Middle management devises implementation plans and delegates responsibility. Production workers are subject to supervision to complete assigned tasks. Within the workshop, production operators and student interns face multiple layers of management from assistant line leaders, line leaders, team leaders, and supervisors (see Figure 5.2).

Figure 5.2 Foxconn Management Hierarchy



Source: Foxconn company information.

On a bright clear day, I met a 22-year-old male worker, Li Jun,⁴⁴⁰ at a basketball court next to the factory dormitory. Jun is an only child born into a rural family in Xi'an, the ancient capital in northwest China's Shaanxi province. His parents relied on income from a plot of low-yielding farmland to support the family. They scrimped to provide for his primary, middle and high school education, hoping that

⁴⁴⁰ I thank the University Research Group for sharing this worker story and introducing him to me.

he could climb the ladder of success. Jun raised their hopes when he tested into Xi'an Foreign Affairs College. "I soon found a job at Foxconn," he said, "only to learn that what Foxconn valued most highly was discipline and obedience, not the leadership and interpersonal communication skills I had acquired in college."

From 2008 to 2012, Foxconn statistics reveal that male employees increased from 53 to 65 percent.⁴⁴¹ The company has adapted to labor market changes by employing more male than female workers as fewer young women⁴⁴² become available, reversing the historical pattern of a feminized workforce in electronics. Young migrants — men and women — aspire to pursue their dreams in Foxconn, a global company, but find themselves lost in a regimented and impersonal mega factory system. Each worker who enters Foxconn must remember this "iron law": "lower grades must obey higher grades absolutely."⁴⁴³ A 19-year-old worker complained, "If my supervisor passes down an order, such as a working technique, even if I know that it is incorrect, I must still follow it. Later, after a problem arises, I can submit a request for clarification, but I can't make a change myself."⁴⁴⁴ The hierarchical system is so rigid that workers are denied the possibility of taking any initiative.

"Fate is not in our own hands but in our superior's," a worker responded to my question about the company's promotion policy. For him "a fair promotion" is a myth; in his words, "what matters is who you know, and how you're able to present yourself, not necessarily whether the quality of your work is high or you have been trained at a good technical school or university."⁴⁴⁵

Production workers are generally looked down on as people who lack culture and earn little. "I am a production line worker. The supervisors and managers [Terry] Gou promotes are terrible," a 19-year-old young male worker commented. He added, "They are particularly fierce towards new employees. Most of us endure humiliation while working at Foxconn," referring to the repeated shaming of those at the bottom of the corporate pyramid who fail to fulfill the quotas.⁴⁴⁶ During work, line leaders

⁴⁴¹ Foxconn Technology Group, 2011, "2010 Corporate Social and Environmental Responsibility Annual Report," p. 14; Foxconn Technology Group, 2013, "2012 Corporate Social and Environmental Responsibility Annual Report," p. 12. <http://ser.foxconn.com/ViewAnuReport.do?action=showAnnual>

⁴⁴² The gender imbalance in China is due to a combination of socioeconomic, biological, and cultural factors including female infanticide, disproportionate female infant mortality, the use of modern sex-selective abortion technologies, and the rise of vaccination costs and medical fees after decollectivization (poverty-stricken parents often provide critical treatment and immunization only to sons).

⁴⁴³ *Xiaji yao jue dui fucong shangji* (下級要絕對服從上級).

⁴⁴⁴ Worker interviewee 17.

⁴⁴⁵ Worker interviewee 20.

⁴⁴⁶ Worker interviewee 21.

often remind assembly-line workers of their lowly status. Some typical insults I was told of included, “You are just an ordinary worker.”⁴⁴⁷ If you are capable, you can sit in the office and use a computer. But you lack a degree and capability, so just behave yourself and work well.”⁴⁴⁸ Another example: “Who can you blame? You can only blame yourself for your bad school performance...It doesn’t matter if you leave or stay [in Foxconn]. There are plenty of people lining up outside. If you leave now, someone else will come to work here right away.”⁴⁴⁹

Many workers interviewed see their dreams of rising through hard work crushed. An 18-year-old female worker recalled, “The line leader often says he doesn’t care if there is one person more or less on our line. We workers count for nothing.”⁴⁵⁰ As a result, many shared a sense of low self-worth: “I am just a speck of dust in the workshop.”⁴⁵¹ In the production process, “Workers come second to and are worn out by the machines.”⁴⁵² Workers occupy the lowest position, even below the machinery.

A common saying among Foxconn workers is: “We wake up before the roosters, eat worse than the pigs, and go to sleep after the dogs.”⁴⁵³ This is one of the ways the workers’ feeling of oppression and their implied accusation of managerial *inhumane treatment* is expressed.⁴⁵⁴ Several workers mocked one of Foxconn’s Chinese slogans and twisted “humane management” into “human subordination.”⁴⁵⁵ A male worker concluded: “If someone makes a mistake at Foxconn, the person below them must take responsibility. If something bad happens, I get screwed, one level screws another...Higher-level people vent their anger at those below them, but who can workers vent to? That’s why frontline workers jumped from those buildings.”⁴⁵⁶

Line Leaders’ Nightmares

Having completed their shift, Foxconn employees in small groups of two to three

⁴⁴⁷ *Pugong* (普工).

⁴⁴⁸ Worker interviewee 6.

⁴⁴⁹ Worker interviewee 9.

⁴⁵⁰ Worker interviewee 11.

⁴⁵¹ Worker interviewees 10, 14, and 27.

⁴⁵² Worker interviewee 39.

⁴⁵³ *Women qide bi ji zao, chide bi zhu cha, shuide bi gou wan* (我們起得比雞早，吃得比豬差，睡得比狗晚).

⁴⁵⁴ Workers are not treated as human beings, but degraded as animals, are recorded in Chinese and Russian literatures. See for example, Steve A. Smith, 2002, *Like Cattle and Horses: Nationalism and Labor in Shanghai, 1895-1927*, Durham: Duke University Press, pp. 10, 273.

⁴⁵⁵ “*Renxinghua guanli*” (人性化管理); “*Ren xunhua guanli*” (人馴化管理).

⁴⁵⁶ Worker interviewee 24.

walked out to get some snacks. I talked to Wang Fenghui,⁴⁵⁷ an experienced 23-year-old line leader, over a beer. In contrast to the noise of the surrounding crowd, our table was quiet. Fenghui was frustrated and exhausted. He shared with me his ambivalence about being a line leader.

In the Shenzhen Longhua complex, as of February 2011, there were some 20,000 lower to middle level leaders, including line, team, and group leaders. Each was responsible for supervising a few dozen to more than one hundred assembly-line workers. In daily management, arguments often erupt at the lowest level. “Sometimes managers visit the workshop, and if they find workers performing poorly, rather than communicate directly with the workers, they will have the line leader scold them, and afterwards hold the line leader accountable,” Fenghui said.

“If we listen too much to our superiors, we have to mistreat workers below us. If we take care of the workers’ feelings too much, maybe we won’t complete our tasks. When work is busy, it’s easy to get angry,” Fenghui shared with me.

After the 2010 suicide cluster, Foxconn directed line leaders to change the scolding-focused and punishment-oriented management style. “Foxconn renewed its commitment to ‘respect employees, ensure continuous improvement, contribute to the well-being of society, and achieve sustainability,’” the company trumpeted in its new labor policy.⁴⁵⁸ But production requirements did not change, and the speed of the line has actually increased, with the result that line leaders face even greater pressure as they increase pressure on workers.

After the company releases production quotas, we must rely on the workers to carry them out, but some workers are idle, and refuse to accept supervision, which poses a major problem. On the one hand, pressure applied by senior management requires you to complete a large number of assignments, and on the other hand you must maintain good employee relations and not yell at workers. It is not easy to be a frontline manager.

Fenghui continued: “Line leaders never have a good day...Before the workers arrive, we have to prepare the assembly lines, lay out the tools, and put all reporting forms in order. If an order must go out at 3 p.m. today, our managers will come over to the lines

⁴⁵⁷ Worker interviewee 34.

⁴⁵⁸ Foxconn Technology Group, 2011, “2010 Corporate Social and Environmental Responsibility Annual Report,” p. 1. <http://ser.foxconn.com/ViewAnuReport.do?action=showAnnual>

and urge us to speed up.”

Line leaders are sandwiched between management and the workers. Recently, Fenghui ran into trouble. “Several batches of student interns were dispatched to the workshop, with more than one hundred interns in one batch. There were only four hundred people in the entire workshop. Having so many students come in at one time put enormous pressure on the rate of defective products.” Before that, there were just 3-4 defective products per day, but after they arrived, sometimes it was 20 items in an hour. He elaborated: “Each day, we have a discard quota, a standard not to be surpassed. There’s no way to give the higher ups these high defect rates.” Guaranteeing both the quality and quantity of work was difficult as he had to instruct the student interns, who are as young as 16, to work properly and fast enough to meet the demand. “Some workers and student interns don’t listen when I explain things, and don’t follow instructions for completing assignments,” Fenghui sighed again.

Often, line leaders vent their frustrations at workers and students interns. “Higher up managers ask why your production quota was not fulfilled, and you must explain the reason. Then they ask you how to correct it, and how to avoid these situations in the future.” After each day’s work, the high production requirements become the focus of Fenghui’s nightmares.

The Foxconn Trade Union

Harsh discipline and strict factory order notwithstanding, Foxconn management now faces a younger cohort with greater mobility and has to take a softer approach to motivate its workers, while imposing ever more demanding quotas. The enterprise union committee, for example, attempts to present a caring image through various kinds of employee activities, which have increased notably in the last four years since the string of suicides.⁴⁵⁹ At the Longhua facility in Shenzhen, the Foxconn union organizes public speaking contests to promote itself and the company. With monumental insensitivity in the wake of suicides and labor conflicts, in August 2010, the theme was set as “The company loves me, I love the company.”⁴⁶⁰ At Foxconn Chengdu, Sichuan (where the trade union was established in March 2011) and Foxconn Wuhan, Hubei (where the trade union was set up in September 2011), similar competitions were organized on the theme of company love and care.

⁴⁵⁹ Worker interviewees 22 and 26.

⁴⁶⁰ *Qiye ai yuangong, yuangong ai qiye* (企業愛員工，員工愛企業).

Foxconn's union mission statement tells workers, "when there's trouble, seek the trade union."⁴⁶¹ However, most workers interviewed see little point in doing so.

The struggles of Foxconn employees in defending their rights and dignity are illustrative of the experience of many Chinese workers. The Foxconn union organization mirrors the company hierarchy, from the assembly lines, business units, and business groups, to the corporate administrative level. At Shenzhen Longhua facility, as of August 2010, 249 union committee members were chosen from more than 400,000 workers. All union representatives are salaried Foxconn administrators appointed by management to union committees.⁴⁶² Each member of the Foxconn union staff wears a red badge with the ACFTU (All-China Federation of Trade Unions) logo during office hours. A team of female and male union staff reports for duty at the Employee Care Center during three work shifts a day, seven days a week. Workers repeatedly informed me that "the human resources department *is* the trade union."⁴⁶³ Their response conveyed a profound truth about the subordination of the union to the company.

From 1988 (when Foxconn set up its offshore factory in Shenzhen on the north border of Hong Kong in southeastern coastal China) through 2006, Foxconn, like many other foreign-invested enterprises, had evaded its basic responsibilities under Chinese law by failing to set up a trade union. It was only after a June 2006 report in a British newspaper exposed "iPod sweatshop" conditions in the Foxconn Longhua factory that produced the Apple iPod music player that the Chinese press took up issues of abusive labor treatment and extremely long working hours.⁴⁶⁴ Foxconn countered by establishing union representation throughout the company on the last day of 2006.⁴⁶⁵ Taking immediate control of the newly formed union, Foxconn CEO Terry Gou appointed his special personal assistant, Chen Peng, to become the union chairwoman. As of 2014, she had held this position for eight years and the union has performed well on behalf of the company despite repeated conflicts with workers.⁴⁶⁶

⁴⁶¹ *You kunnan, zhao gonghui* (有困難，找工會).

⁴⁶² Manager interviewees 1 and 5.

⁴⁶³ Worker interviewees 10, 20, 21, and 27.

⁴⁶⁴ Reporters without Borders, 4 September 2006, "Foxconn Drops Lawsuit Against Two *China Business News* Journalists."

<http://en.rsf.org/china-foxconn-drops-lawsuit-against-two-04-09-2006.18691.html>

⁴⁶⁵ IHLO (International Trade Union Confederation (ITUC)/Global Union Federation (GUC) Hong Kong Liaison Office), 2 January 2007, "ACFTU (All-China Federation of Trade Unions) Established a Union at Foxconn on the Very Last Day of 2006." <http://www.ihlo.org/LRC/ACFTU/030107.html>

⁴⁶⁶ *Foxconn Weekly*, 25 November 2010, "Duihua Chen Peng" (Dialogue with Chen Peng) 對話陳鵬, pp.1-2.

By December 2009, “unions had been set up in 92 percent of the Fortune 500 companies operating in China,” including the million-worker strong Foxconn, and this trend has continued since.⁴⁶⁷ The only officially recognized Chinese trade union organization, the All-China Federation of Trade Unions (ACFTU), whose strength had been centered in state-owned enterprises,⁴⁶⁸ lost at least 17 million members in the three years from 1997 to 2000 alone, through privatization and lay offs.⁴⁶⁹ The fragmentation of labor and the diversification of ownership in the hands of Chinese and international capital have profoundly challenged both workers and trade unions. The state-run union bureaucracy then targeted foreign-invested companies to unionize. By January 2012, the Chinese trade union federation had a total membership of 258 million⁴⁷⁰ (the numbers surpass the International Trade Union Confederation global membership of 168 million workers in 155 countries and territories excluding China), of whom 36 percent (94 million) were rural migrant workers, the fastest growing segment of the union since the early 2000s.⁴⁷¹ My discussion of the Foxconn union further reveals how dependence on management severely undermines the capacity of enterprise unions to represent the workers.

Li Xiaoxiang⁴⁷² a 17-year-old worker said, “The union often organizes day trips, picnics, hiking, fishing, singing contests, pop concerts, dance shows, basketball tournaments, and annual partner matching parties on Valentine’s Day. These could help workers relax to some extent. However, we’re exhausted from work.” The most frequent union activities were the box-sealing competitions. Xiaoxiang explained that “box-sealing is what happens after products are stuffed into boxes; the box is sealed. This is one operation on the production line. The competition is to see who can seal the boxes fastest.” The thinly disguised productivity-raising game is framed

⁴⁶⁷ Mingwei Liu, 2011, “Where There are Workers, There should be Trade Unions’: Union Organizing in the Era of Growing Informal Employment,” *From Iron Rice Bowl to Informalization: Markets, Workers, and the State in a Changing China*, edited by Sarosh Kuruvilla, Ching Kwan Lee and Mary E. Gallagher, Ithaca, NY: Cornell University Press, p. 157.

⁴⁶⁸ Jackie Sheehan, 1998, *Chinese Workers: A New History*, London: Routledge; Tim Pringle, 2011, *Trade Unions in China: The Challenge of Labour Unrest*, Abingdon, UK: Routledge; Feng Chen, 2009, “Union Power in China: Source, Operation, and Constraints,” *Modern China* 35(6), pp. 662-89.

⁴⁶⁹ Rudolf Traub-Merz, 2012, “All-China Federation of Trade Unions: Structure, Functions and the Challenge of Collective Bargaining,” *Industrial Democracy in China: With Additional Studies on Germany, South-Korea and Vietnam*, edited by Rudolf Traub-Merz and Kinglun Ngok, Beijing: China Social Sciences Press, p. 28.

<http://library.fes.de/pdf-files/bueros/china/09128/09128-english%20version.pdf>

⁴⁷⁰ *China Labor Statistical Yearbook 2012*, 2013, “Trade Union Members in Grassroots Trade Union by Region,” Beijing: China Statistics Press, pp. 405-6.

⁴⁷¹ This stands in sharp contrast to the United States, the United Kingdom, Australia, and many other countries, where private-sector labor unions have shrunk to a small percentage of the industrial and service workforce, due to corporate restructuring and job export. See *Xinhua*, 7 January 2012, “20% of Chinese Join Trade Unions.”

http://www.chinadaily.com.cn/china/2012-01/07/content_14400312.htm

⁴⁷² Worker interviewee 22.

as a team-building activity. He added, “I’d say the union doesn’t act according to workers’ needs; rather the activities are based on company needs.”

In spring 2010, at the peak of the suicides, Foxconn set up a “care and love hotline,”⁴⁷³ first at the Shenzhen plants and then at all company factories across China. Workers can call 78585 — the hotline’s phonetic equivalent in Mandarin is “please help me, help me.” During the pilot phase in May 2010, “the company reported handling 710 calls, including 16 who claimed they planned to commit suicide.”⁴⁷⁴ The company-run hotline and counseling service at the Employee Care Center is still in place.



A Foxconn poster entitled Employee Care Center. The “care and love hotline” 78585 is phonetically equivalent in Mandarin to “please help me, help me.” The company staff promises to “listen to your heart, solve your problems — anytime, anywhere.” Photo credit: Jenny Chan.

When some workers lodged complaints, their caller identities were reported to

⁴⁷³ *Guanai rexian* (關愛熱線).

⁴⁷⁴ Manager interviewee 1.

management. Since learning of this breach of privacy, workers have hesitated to use the hotline or walk-in counseling services. They mock the company “care center,” dubbing it the “supervision center” and the internal hotline the “management hotline.”⁴⁷⁵

If the hotline was of little use to workers seeking help, it did help Foxconn create an impression that it cares, while tightening the grip of management over workers. Most workers interviewed perceived the union as either “untrustworthy” or “useless” when it comes to negotiations over wages and benefits, work injury compensation, employment contract terms, and labor dispute settlements.⁴⁷⁶ If workers are in distress, they seek assistance from friends and families, and other supporters whenever possible. The Foxconn union is a union in name only.

Concluding Remarks

“An army of a thousand is easy to get, one general is tough to find.”⁴⁷⁷ Under the leadership of CEO Terry Gou, Foxconn has ridden the waves of successive revolutions in information and communications technology to vastly expand its Empire. In all of the branded products, Foxconn has achieved state of the art technologies while simplifying production processes to reduce workers to repetition of simple motions throughout 10-12 hour days. The length of the working day fluctuates across the world, but the legal restriction to a normal working day of eight hours is widely recognized as a major achievement of the international labor movements. Foxconn’s “advanced” management system produces high levels of alienation and labor conflicts between workers and line leaders, despite the rhetoric of a people-centered philosophy and company love.

Over the course of my research, I chronicled the many hardships and frustrations that Foxconn workers (including production-line operators and leaders), nearly all of them young rural migrants, have confronted. Unfulfilled expectations of gaining skills and rising through the company system have fueled in some a sense of loss, powerlessness, and helplessness. Many workers still confront managerial despotism at the point of production, as shown in this chapter through extensive workers’ quotes. Eli Friedman and Ching Kwan Lee sum up that “the fundamental power imbalance” between labor and capital is “at the heart of poor working conditions.”⁴⁷⁸

⁴⁷⁵ Worker interviewees 13 and 24.

⁴⁷⁶ Worker interviewees 3, 4, 20, 21, and 25.

⁴⁷⁷ *Qianjun yide, yijiang nanqiu* (千軍易得，一將難求).

⁴⁷⁸ Eli Friedman and Ching Kwan Lee, 2010, “Remaking the World of Chinese Labour: A 30-Year

Not unlike their peers in the foreign-invested enterprises, and perhaps in an extreme form, over 1.4 million Foxconn workers are not institutionally or collectively represented in a meaningful way. Anita Chan has rightly described enterprise unions as “worse than weak” and “an integral part of factory management.”⁴⁷⁹

Forced overtime and harsh labor discipline at Foxconn have drawn public criticisms. Under mounting social pressure, Apple reported that its Supplier Responsibility team has “recently reviewed and strengthened” its standards regarding “freedom of association.”⁴⁸⁰ In February 2013, Foxconn proclaimed that workers would hold genuine elections for worker representation. In a matter of months, the Apple-sponsored Fair Labor Association trumpeted the fact that at three large Foxconn factories (Longhua, Guanlan, and Chengdu), “the percentage of worker representatives in the main union committees increased significantly.”⁴⁸¹ Echoing the report, Foxconn officially stated that its union “has expanded from four representatives [in 2007] to 23,000 representatives... Membership now reached 92.94 percent” of its total workforce in China.⁴⁸² One year on, as of March 2014, neither the union election methods nor the worker representatives’ rights and responsibilities were disclosed. Inside the Foxconn Empire, I explain in the next chapter how the teenaged student interns face even greater challenges.

Retrospective,” *British Journal of Industrial Relations* 48(3), p. 514.

⁴⁷⁹ Anita Chan, 2011, “Strikes in China’s Export Industries in Comparative Perspective,” *The China Journal* 65 (January), p. 42.

⁴⁸⁰ Apple’s email reply dated 18 February 2014.

⁴⁸¹ Fair Labor Association, 2013, “Second Foxconn Verification Status Report,” p. 4.

http://www.fairlabor.org/sites/default/files/documents/reports/second_foxconn_verification_status_report_0.pdf

⁴⁸² Foxconn Technology Group, 2013, “2012 Corporate Social and Environmental Responsibility Annual Report,” p. 14. <http://ser.foxconn.com/ViewAnuReport.do?action=showAnnual>

Chapter 6

Students Interns or Workers?

Come on, what do you think we'd have learned standing for more than ten hours a day manning the machines on the line? What's an internship? There's no relation to what we study in school. Every day is just a repetition of one or two simple motions, like a robot.

— Zhang Lintong, a 16-year-old student intern studying arts⁴⁸³

On 3 March 2011, 60 students of the Sichuan Zhongjiang Vocational School⁴⁸⁴ arrived at the factory gate of Foxconn Chengdu to begin what were described as internships. Some of them had only a few articles of clothing in coarse rice-bags, having responded to the school announcement of the internship at short notice. One of the students explained what happened: “Our teacher announced that all vocational schools in the [Sichuan] province had to cooperate with the local government and send students to Foxconn to take up internships.”⁴⁸⁵ He added, “Unless we could present a medical report certified by the city hospital that we were very ill, we had to depart immediately.” Brought in on two coaches, the students stood outside the electronic gate for half an hour listening to instructions from a Foxconn staff member before entering the factory.

Cao Wang,⁴⁸⁶ 16, who was studying textiles and clothing, was expected to do nothing but tighten screws during her internship; Chen Hui,⁴⁸⁷ 16, a construction student, processed iPad casings; Yu Yanying,⁴⁸⁸ 17, studying petro-chemistry, stuck labels on iPad boxes; Huang Ling,⁴⁸⁹ 17, taking a course in business management, was assigned quality inspection work on the production line; Zhang Lintong,⁴⁹⁰ 16, who loved his studies in the arts, assembled printed circuit boards.

⁴⁸³ Intern interviewee 1.

⁴⁸⁴ In this chapter, the vocational schools researched are specified. The Foxconn internship programs organized by these schools were publicly reported in local news and/or school websites. However, to protect my interviewees from company or government censorship, I did not reveal any of my interviewees' school affiliations in the List of Interviewees (see Appendix 2). All the teachers' and student interns' names, along those of workers, managers, and government officials, are changed.

⁴⁸⁵ Intern interviewee 2.

⁴⁸⁶ Intern interviewee 11.

⁴⁸⁷ Intern interviewee 12.

⁴⁸⁸ Intern interviewee 37.

⁴⁸⁹ Intern interviewee 14.

⁴⁹⁰ Intern interviewee 1.



Sichuan Zhongjiang Vocational School students, many of them 16 years of age, arrived at Foxconn Chengdu (Zone A) in the morning on 3 March 2011 to begin “internships.” Photo credit: Jenny Chan.

The 60 students I encountered at Foxconn’s new iPad factory were not the first group recruited by the company as interns. More than half a year earlier, Foxconn had temporarily halted recruitment at its two large Shenzhen facilities after the spate of suicides. A human resources manager based at Longhua dismissively commented, “This was to prevent the entry of those who would jump to their death for company compensation.”⁴⁹¹ But the company’s labor needs remained strong. The leaders adjusted corporate strategy in two ways. First, Foxconn accelerated the construction of new factories in lower wage areas of central and western China in sync with the central government’s emphasis on developing poorer regions (as discussed in the previous three chapters of 3, 4 and 5). Second, it recruited student interns from vocational schools all over the country, with the help of both government officials

⁴⁹¹ Manager interviewee 1.

and school teachers. In this way, Foxconn enlarged its labor recruitment networks, particularly through joint partnerships with target schools. The company draws on the assistance of teachers to bring in students, rather than hiring new workers.⁴⁹²

Foxconn Student Internship Program

In the summer of 2010, Foxconn utilized the labor of 150,000 student interns from vocational schools all over China — 15 percent of its one million strong workforce.⁴⁹³ This means that Foxconn dwarfs Disney’s College Program, one of the world’s largest internship programs, which received more than 50,000 interns *cumulatively* over 30 years from college partners in the United States and abroad.⁴⁹⁴ Still, there are other key features that distinguish the Foxconn internships from quality internships in electronics and other sectors both in China and internationally.

Foxconn describes its internship program as an example of creative business-school partnership. A July 2011 company statement reads, “Foxconn cooperates with vocational schools” to provide their students with “practical skills training that will enable them to find employment after they graduate from these programs.”⁴⁹⁵ In another statement dated 31 December 2013, the company reported that it carried out internship programs — whether in the “short” or “long” term — in full compliance with Chinese law and “our own Code of Conduct⁴⁹⁶ and those of our customers.” Moreover, the programs “have enabled interns to gain practical work experience while earning the same wage as our full-time entry-level employees.”⁴⁹⁷ The workplace training contents, skills evaluation methods, and study program results are, however, not reported. Based on my interviews with 14 teachers and 38 student interns, I found that the interns at Foxconn worked alongside workers (including overtime and night shifts) in programs that range in length from three months to one year.⁴⁹⁸

⁴⁹² It seems strange that young students would be seen as *less* susceptible to suicide. Asked about this, the manager told me: “If a student is found emotionally unstable or seriously ill, we can ask the responsible teacher to take back the student. In this way we avert the risk of suicide and monitor labor conditions with the assistance of teachers.”

⁴⁹³ Foxconn Technology Group, 11 October 2010, “Foxconn is Committed to a Safe and Positive Working Environment.” http://regmedia.co.uk/2010/10/12/foxconn_media_statement.pdf

⁴⁹⁴ Ross Perlin, 2012, *Intern Nation: How to Earn Nothing and Learn Little in the Brave New Economy*, London: Verso, p. 6.

⁴⁹⁵ Foxconn Technology Group, 29 July 2011, “Foxconn Response to Business and Human Rights Resource Center: Report Alleging Abuses in Internship Program.” http://www.business-humanrights.org/Search/SearchResults?SearchableText=foxconn&sort_on=publication&batch_size=10&batch_start=12

⁴⁹⁶ Foxconn Technology Group, 2012, “Foxconn Global Code of Conduct Policy.” <http://ser.foxconn.com/GroupCocShow.do>

⁴⁹⁷ Foxconn’s 7-page statement dated 31 December 2013, p. 4.

⁴⁹⁸ This estimate of the duration of Foxconn internship programs is based on my field research data.

Wearing the same uniforms and living in the same factory dormitories as regular workers, interning students at Foxconn were until recently hidden from public scrutiny.

Teachers' Roles

All 14 teachers from eight different vocational schools I interviewed (including Sichuan Zhongjiang Vocational School) were keenly aware that the Foxconn program violates the concept of internships, which are mandated to “provide an integral part of students’ education and skills training,”⁴⁹⁹ and to “protect young students aged between 16 and 18 from overtime and night work.”⁵⁰⁰ The teachers, subject to school and local government pressure, accompanied students to the Foxconn factories and were responsible for supervising them in the worker dormitories and on the factory floor throughout their internship program.

Foxconn houses all teachers and student interns in the same dormitory zone; the students say “it’s to keep a close eye on them,” even during the leisure hours.⁵⁰¹ In this, schooling and work are integrated through the internship program, arguably in the service of the company, not the students or their education.⁵⁰²

At Foxconn, the teacher-student ratio is maintained at 1: 50.⁵⁰³ In the eyes of interns, the teachers were “part of factory management.”⁵⁰⁴ The structure of deference or subordination to the authority of teachers is transposed to the workplace as teachers are assigned to monitor their own students in the factories. As a result, “student workers” are subject to double pressure of “two bosses,” teachers and managers.

Wang Meiyi,⁵⁰⁵ 16, had problems with her menstrual cycle during the internship. She recalled, “I used to have relatively regular menstrual periods, but this time my period was delayed until the first week in October. I was frightened. I had cramps so severe that I was covered with sweat on the line, where it’s air-conditioned.” In November and December, Meiyi’s irregularity and pain persisted. Her line leader

In company’s public statements, the length of internship is either unspecified, or vaguely described as short or long-term programs.

⁴⁹⁹ Teacher interviewee 12.

⁵⁰⁰ Teacher interviewee 2.

⁵⁰¹ Intern interviewees 17, 27, and 33.

⁵⁰² Su Yihui, 2011, “Student Workers in the Foxconn Empire: The Commodification of Education and Labor in China,” *Journal of Workplace Rights* 15(3-4), pp. 341-62.

⁵⁰³ Manager interviewee 4; Teacher interviewees 3, 6, and 7.

⁵⁰⁴ Intern interviewees 19, 20, and 31.

⁵⁰⁵ Intern interviewee 15.

was a young man with whom she did not feel comfortable talking about “girl’s things.” She thought it might be related to night work and stress. “At school, we only have six classes a day, and I got good rest. But here at Foxconn it’s different: we don’t have breaks whenever we’re behind on the production targets. And it’s no use complaining to my teacher.”

“My teacher will evaluate all aspects of the internship performance, including full attendance at work and obedience to management, which will be input into my educational grade. This is very stressful,” Meiyi told me. The teachers had access to student attendance records via the company intranet, which lists the students’ punch-in time at the start of the work shift, punch-in time after meals, punch-in time for overtime work, and punch-out time at the end of the shift.⁵⁰⁶ In some circumstances, the teachers went so far as to check the student’s sick leave application and decide whether to approve it.⁵⁰⁷

Foxconn management randomly assigns students and workers to dormitories and production lines, weakening their friendships and social ties. This seems to also weaken their ability to complain about their treatment in a collectivity. Teacher Cai⁵⁰⁸ told me of some students who were reluctant to go to work during the first week they arrived at the company.

I asked my students to manage their emotions. Calm down. Think carefully if you want to leave — won’t your parents be disappointed? I visited my students in the dorm to see if they felt okay on Tuesday night. They answered “not too bad.” I met them again on Friday night. They said “fine.” They’ve gradually gotten used to the work rhythm. Finally I asked if they want to go. They replied “no.”

To incorporate school teachers into its supervisory system for interns, Foxconn paid them 2,000 Yuan per month in the school calendar year of 2011-2012.⁵⁰⁹ The teachers accompanying their students signed attendance sheets at Foxconn offices. In addition to the teachers’ own paycheck from schools, the Foxconn salary is provided through the debit card system for normal work time from 9 a.m. to 5 p.m. weekdays, although their monitoring duties during the entire internship period were 24/7.

⁵⁰⁶ Teacher interviewees 1, 10, and 11.

⁵⁰⁷ Teacher interviewees 9 and 14.

⁵⁰⁸ Teacher interviewee 13.

⁵⁰⁹ Manager interviewee 3; Government official interviewee 2; Teacher interviewees 4, 5, and 8.

One vocational school proclaims its educational mission this way: “Unification of school and business, unification of theory and practice, unification of teacher and technician, and unification of student and employee.”⁵¹⁰ From the experience of Li Wei,⁵¹¹ a 17-year-old student in auto mechanics from the Zhengzhou College of Traffic Technicians in Henan province, only the first goal was attained, that is, the combination of school and business through the “sale of students” under the guise of internship. In a very low tone, he explained how he and his classmates “were tricked into interning at Foxconn immediately after the first year exam.”

Before we departed for the Foxconn plant, our teacher pledged that after the internship at Foxconn was completed, he’d make up any remaining specialized classes. In January 2011, we finally completed our internship and returned to school. After the Chinese New Year, in the new semester in February, the school started teaching a class on motors. But then in April, the school began to arrange internships at auto plants for graduates. The school had still not finished teaching our specialized courses. We have neither learned the basic skills of automotive repair, nor completed the core classes of our specialization. How are we going to work in auto companies?

“A valuable seven months were completely wasted at Foxconn,” sighed Wei. In 2010, 28,044 student interns like Wei, who were recruited from more than 200 schools throughout the country, were assigned to the iDPBG (integrated Digital Products Business Group) to assemble Apple products at Foxconn’s factories in Shenzhen. On 3 December 2010, Foxconn iDPBG and Zhengzhou Human Resources and Social Security Department (Henan) convened the “win-win” closing ceremony of the Foxconn student internship program at the Shenzhen Guanlan facility, celebrating the “cooperation between school and company.”⁵¹²

With dozens of his fellow classmates, Wei mustered courage to talk to their teacher, but to no avail. “We sought out the senior school administrator who told us that we’d have to extend our studies by paying one more year’s fee for a higher diploma before studying the remaining specialized curriculum.” He continued:

⁵¹⁰ *Xuexiao qiye yitihua, lilun shijian yitihua, jiaoshi shifu yitihua, xuesheng yungong yitihua* (學校企業一體化，理論實踐一體化，教師師傅一體化，學生員工一體化).

⁵¹¹ Intern interviewee 3.

⁵¹² *The Foxconn Bridgeworkers*, 31 December 2010, “*Hezuo, gongying*” (Cooperation and Win-win) 合作·共贏, Vol. 183, p. 23.

We're depressed. We've paid for three years of tuition, but we haven't completed professional training. The school violated the most basic agreement, contradicted the student recruitment brochure, arbitrarily changed the students' curriculum, treated its students' future like a plaything, and failed in its responsibility to students. We students didn't attain sufficient knowledge in our education, and come time for employment, we'll have no competitive advantage.

Wei's feeling of betrayal is strong. "All the fine words in the school catalogue have become empty words and broken promises," he emphasized.

Disappointment and frustration in workplace training is widely shared. Those who were studying electronics and mechanics — perhaps especially these students — had very different expectations from what they encountered on the Foxconn assembly line. Liu Siying,⁵¹³ 18, was intent on advancing her career goals. Coming from Sichuan's Mianyang city, she told me how she became an intern at the Shenzhen Longhua factory in the 2011 fall semester.

This is my final year in electronics and mechanical engineering. I really enjoy my studies and have been studying very hard. I even review coursework in the school library during summer vacation. My plan was to seek an internship at Huawei Technologies⁵¹⁴ but our teacher persuaded my whole class of forty-two students to intern at Foxconn. He emphasized that Foxconn has a worldwide customer base including Huawei and that the company is investing billions in high-tech research. He stressed that we'd learn a lot through the internship.

Virtually from day one, however, Siying was "tied to the printed circuit board line attaching components to the iPad back-casing." In her words, it "requires no skills or prior knowledge." Although there is no evidence that the internship program offered by Huawei Technologies would have been any better than that of Foxconn, she regretted her choice. "During the night shift, whenever I look out in that direction [pointing to the west], I see the big fluorescent sign of Huawei shining bright red, and at that moment I feel a pain in my heart."

⁵¹³ Intern interviewee 8.

⁵¹⁴ Huawei Technologies, an information and communications technology solutions provider, was founded in Shenzhen as a private-sector firm in 1988.

Student Interns' Educational and Labor Rights

China's contemporary educational priorities, following the drive to expand and upgrade university education, presently emphasize the expansion of vocational training in the service of social and economic development. Student internship has become an indispensable component of this program.⁵¹⁵ Building on earlier industrial training and elementary schooling foundations, the government has expanded access to education with the goal of advancing the "four modernizations," that is, agriculture, industry, defense, and science and technology. Upon completing nine years of compulsory education, students can compete to continue their studies in general track high schools or enroll in vocational institutions. The admission age for standard three-year vocational education is often 14 to 15. The ten-year outline of China's national plan for educational development projects an increase in vocational school enrollment from 21.8 million in 2009 to 23.5 million in 2020. A comparable decline in the number of students in high schools is planned.⁵¹⁶

At present more than 21 million full-time students are enrolled in vocational secondary schools (millions more enroll in vocational colleges at the higher level). While students in high schools are prepared for university entrance, those in vocational schools are trained for skilled work or higher vocational education. Vocational schools offer employment-oriented courses for first-year and second-year students. During their third year, when they are about 18 years old, students are to intern at enterprises that are directly relevant to their studies.⁵¹⁷ But under the dual pressure from local government and school, I found that student interns were assigned to a one-size-fits-all Foxconn internship that involved factory work completely divorced from their studies and interests. Whereas the vocational law specifies that students should intern during the final year of studies,⁵¹⁸ Foxconn not only recruits

⁵¹⁵ Malgorzata Kuczera and Simon Field, 2010, "Learning for Jobs: OECD Reviews of Vocational Education and Training — Options for China," OECD (Organization for Economic Co-operation and Development). <http://www.oecd.org/dataoecd/36/36/45486493.pdf>

⁵¹⁶ Central People's Government of the People's Republic of China, 2010, "*Guojia Zhongchangqi Jiaoyu Gaige he Fazhan Guihua Gangyao (2010-2020)*," [Outline of China's National Plan for Medium and Long-Term Education Reform and Development (2010-2020)] 國家中長期教育改革和發展規劃綱要 (2010-2020年)," Table 1. http://www.gov.cn/jrzq/2010-07/29/content_1667143.htm

⁵¹⁷ T. E. Woronov, 2011, "Learning to Serve: Urban Youth, Vocational Schools and New Class Formations in China," *The China Journal* 66, pp. 77-99.

⁵¹⁸ The 2007 Regulations on the Management of Secondary Vocational School Student Internship, jointly issued by the Ministries of Education and Finance, govern the implementation of student internships under the framework of China's Education Law (effective 1 September 1995), Vocational Education Law (effective 1 September 1996) and Labor Law (effective 1 January 1995). Ministries of Education and Finance of the People's Republic of China, 2007, *Zhongdeng Zhiye Xuexiao Xuesheng Shixi Guanli Banfa* (Regulations on the Management of Secondary Vocational School Student Internship) 中等職業學校學生實習管理辦法.

students regardless of field of study, but also often much earlier than is legally allowed (that is, in their first and second years). In short, the rhythm is determined not by student educational priorities but by the demand for products dictated by Apple and other electronics giants.

Foxconn uses the students as a cheap and flexible labor force, ignoring the training functions of internship programs, and the health and welfare of the youths. With reference to the 2007 Regulations on internship management (Article 5, “Interns shall not work more than eight hours a day”) and the 2010 Education Circular (Clause 4, “Interns shall not work overtime beyond the eight-hour workday”⁵¹⁹), the common understanding is that the maximum eight-hour internship training should take place during daytime to ensure the interning students’ safety and physical and mental health. At work, in practice, Foxconn interns are subject to the same treatment as regular workers, including alternating day and night shifts monthly and extensive overtime, defying the letter and the spirit of the education law.

Differences in the wage package are among the key factors that make interns highly attractive. Student interns are not working for free at Foxconn. They are paid, but as cheap labor. Unlike employees who may qualify for a skill subsidy of 400 Yuan/month, interns are not entitled to skill assessment or wage increases throughout the entire internship, even though interns and entry-level workers in the Chengdu iPad factory had the same starting wage of 950 Yuan/month as of January 2011.⁵²⁰ Moreover, interns are not eligible for productivity bonuses, quarterly prizes, or end-of-year bonuses, regardless of how well they do their jobs.⁵²¹ Interns, unlike employees, enjoy *none* of the insurance protections provided by local government.

Foxconn justifies the wage and benefit differentiation by the fact that students are legally defined as interns during the internship, that is, they are students, not laborers. Just a quick look at the math reveals that, for a total of 150,000 student interns working in various Foxconn factories during one month in the summer season, the savings from not providing them with social security alone is roughly 150,000

<http://www.chinabaike.com/law/zy/bw/gw/jtb/1341463.html>

⁵¹⁹ China’s Ministry of Education, 2010, “*Guanyu Yingdui Qiye Jigonghuang Jinyibu Zuohao Zhongdeng Zhiye Xuexiao Xuesheng Shixi Gongzuo de Tongzhi*” (The Circular on Further Improving the Work of Secondary Vocational School Student Internship Regarding Skilled Labor Shortage of Enterprises) 關於應對企業技工荒進一步做好中等職業學校學生實習工作的通知.

http://big5.xinhuanet.com/gate/big5/news.xinhuanet.com/school/2010-03/25/c_1230849.htm

⁵²⁰ The 2011 Foxconn (Chengdu) recruitment advertisement.

⁵²¹ Intern interviewees 23, 25, and 38.

persons x 100 Yuan⁵²² = 15 million Yuan. While this is a simplified exercise, it conveys a good sense of employer savings; and this is for only one month's insurance expenditure, while many interns work for a year.⁵²³

Meals are not provided free; they are deducted from the interns' monthly wage, based on what they have eaten.⁵²⁴ I met three student interns on a Sunday morning in early December 2011. Waiting at the bus stop, they were half an hour late for my appointment. "Sorry, we overslept." One of the boys, Xiao Li,⁵²⁵ made a face that made me burst out laughing. I suggested having spicy hot pot in a nearby restaurant to wake us all up. The boys nodded and gave a big smile. "The food served in our factory canteen is very expensive. A bowl of noodles costs 8 Yuan. At school, it's only five." Nor does Foxconn provide free housing (a deduction of 150 Yuan per month in Shenzhen's company dormitories), contrary to its claim.⁵²⁶

Xiao Li said the only good thing is that "I don't have to ask my parents to send me money." The trio felt bored and exhausted at work, but still felt that they had to work overtime to earn enough money for a little personal enjoyment. Although they had learned little or nothing from their internships, they loved the new found freedoms of the fast-moving city. In Shenzhen, they dreamed of buying new cell phones, singing in karaoke bars, and having fun with new friends. None of the three interns had been able to save money, let alone send any back home.⁵²⁷

Cheap and Disposable Student Labor

Interns at Foxconn are not only low-cost, they are also disposable, deployed to seamlessly respond to corporate demands for rush orders. In the ramp-up for the iPhone 5 in September 2012, for example, students in Huai'an city in coastal Jiangsu

⁵²² As economic conditions and statutory minimum wages vary substantially across China, I use the lower end of 100 Yuan/month per person for illustration.

⁵²³ According to Foxconn's self-reported or unverified data, in 2013, "short-term interns" were about 2 percent of the company's workforce, that is, approximately 30,000 persons. In its 31 December 2013 statement, Foxconn is silent about the number of its "long-term interns," or the duration of their internships.

⁵²⁴ This is same for all workers. Meals consumed in the factory canteens are deducted from the basic wage.

⁵²⁵ Intern interviewee 23.

⁵²⁶ The 2011 statement reads, "Foxconn provides a full package of compensation and benefits, including housing, meals, and medical coverage, throughout the period of the internships." See Foxconn Technology Group, 29 July 2011, "Foxconn Response to Business and Human Rights Resource Center: Report Alleging Abuses in Internship Program."

http://www.business-humanrights.org/Search/SearchResults?SearchableText=foxconn&sort_on=publication&batch_size=10&batch_start=12

⁵²⁷ Intern interviewees 23, 25 and 26.

province were made to work at Foxconn as interns on data-lines assembly, including overtime and night shifts.⁵²⁸ Unlike regular employees, interns can be laid off without any compensation or 30 days' prior notice, which drives down costs and maximizes company flexibility to respond to the ebb and flow of orders. Last but not least, interns are barred from trade union membership and protection, as they are not legally defined as laborers.

Some students told me that they phoned their parents after the first week to ask them to pressure the teachers and Foxconn managers to immediately “release the interns.” They rarely succeeded.⁵²⁹ On 1 November 2011, a conflict erupted between Han Chinese and Tibetan student interns in a production workshop at the Foxconn Chengdu factory. Nearly two dozen interns from a number of schools got into a fistfight during working hours. All were laid off, while some others, fearing retaliation, left on grounds of personal security. The mass incident sounded an alarm, so that a vice principal from the Pujiang Vocational School (in Pujiang County, southwestern Sichuan) arrived on the scene the next day to “look after his students,” recalled teacher Jiang.⁵³⁰ In fact, Foxconn demanded that “the school immediately take back the bad students.”⁵³¹ The dual control over the interning students exercised by school and enterprise became transparent in the course of the labor crisis, pulling aside the curtain on practices that had been presented as self-development and training. Breaking factory rules, the students resorted to violent means as the last resort to set themselves free. Despite student resistance, Foxconn has strengthened its relationship with schools, in collaboration with local governments, to secure student labor.

The Alliance of Politics and Business in Student Internship

Foxconn presses local governments and vocational schools to ensure an abundant supply of cheap student labor to cope with the seasonality of global production demand. On 12 June 2010, the Zhengzhou City Education Bureau (Henan) directed all vocational schools under its jurisdiction to dispatch students to Foxconn Shenzhen for employment and/or internships. This was a step taken to shorten the training time to prepare for the August opening of the iPhone manufacturing base in Zhengzhou. The government notification to all education units reads:

⁵²⁸ *China Daily*, 7 September 2012, “Students Made to Work at Foxconn as Interns.”

http://www.chinadaily.com.cn/china/2012-09/07/content_15741204.htm

⁵²⁹ Intern interviewees 4, 6 and 7.

⁵³⁰ Teacher interviewee 12.

⁵³¹ Manager interviewee 4.

To promote the city's vocational education, accelerate the pace of educational development, deepen school-business cooperation, strengthen customized training, and promote industry, it has decided to launch an employment (internship) partnership with Foxconn Technology Group, and arrange for all vocational school students to work (intern) at Foxconn Shenzhen.⁵³²

From this moment, student internships were transformed into a government-organized activity in the service of a private employer.

In August 2010, just one month after signing the business contract, Foxconn's iPhone production commenced in Zhengzhou, provincial capital of central China's Henan. Provincial governor Guo Gengmao said, "Introducing labor-intensive industries is the best way to promote employment in Henan, a province with a surplus labor force of more than 22 million."⁵³³ A company spokesperson of Foxconn Zhengzhou echoed the call and declared that "we will strive to make the [company] town peaceful and prosperous."⁵³⁴

Through direct deals with senior government leaders, Foxconn shifted hiring costs to provincial and lower governments, and outsourced recruitment to vocational schools backed by the state power. In the summer of 2010, the Henan provincial government established an inter-departmental committee to coordinate student recruitment at Foxconn: chaired by the provincial governor, and the heads of Education Department and Human Resources and Social Security Department served as vice-chairs. Government leaders delegated specific tasks to lower-level offices and set a goal of recruiting 20,000 people in two months (August to September 2010) for Foxconn. Each city government was assigned specific recruitment targets with quotas in each county and district subdivided down to villages, towns, and work units (see Table 6.1).

⁵³² Zhengzhou City Education Bureau (Henan), 12 June 2010, "Guanyu Dongyuan Zhongdeng Zhiye Xuexiao Xuesheng Dao Shenzhen Fushikang Keji Jituan Jiuye (Shixi) de Tongzhi" (Notification to Mobilize Secondary Vocational School Students for Employment (Internship) at Foxconn Shenzhen) 關於動員中等職業學校學生到深圳富士康科技集團就業(實習)的通知.
http://zhongkao.sace.cn/2010/0615/article_7820.html

⁵³³ Quoted in *Xinhua*, 30 June 2010, "Foxconn's Inland Moving a Win-win Solution."
http://news.xinhuanet.com/english2010/indepth/2010-06/30/c_13377628.htm

⁵³⁴ Quoted in *Xinhua*, 2 August 2010, "New Foxconn Factory in Central China Begins Production with Hope of Peace, Prosperity."
http://news.xinhuanet.com/english2010/china/2010-08/02/c_13426617.htm

Table 6.1 Government Recruitment Assignment, 2010

	Prefecture-level city, county-level city and county	Targets for August 2010 (persons)	Targets for September 2010 (persons)	Total (persons)
1	Xinyang	1,000	1,000	2,000
2	Zhoukou	940	940	1,880
3	Luoyang	850	900	1,750
4	Nanyang	850	850	1,700
5	Shangqiu	850	850	1,700
6	Zhumadian	850	850	1,700
7	Puyang	750	700	1,450
8	Xinxiang	680	680	1,360
9	Anyang	650	650	1,300
10	Pingdingshan	550	550	1,100
11	Kaifeng	500	500	1,000
12	Zhengzhou	200	200	400
13	Hebi	200	200	400
14	Jiaozuo	200	200	400
15	Xuchang	200	200	400
16	Luohe	200	200	400
17	Sanmenxia	200	200	400
18	Gushi County, Xinxiang	100	100	200
19	Jiyuan	50	50	100
20	Dengzhou City, Nanyang	50	50	100
21	Yongcheng City, Shangqiu	50	50	100
22	Xiangcheng City, Zhoukou	50	50	100
23	Gongyi City, Zhengzhou	30	30	60
	Total	10,000	10,000	20,000

Note: The 20,000 new recruits include full-time students and non-student job seekers.
Source: Henan Provincial Poverty Alleviation Office, 14 July 2010.⁵³⁵

⁵³⁵ Henan Provincial Poverty Alleviation Office, 14 July 2010, “*Guanyu Fushikang Keji Jituan zai Wosheng Pikun Diqu Zhaopin Peixun Yuangong Gongzuo de Tongzhi*” (Announcement Regarding Foxconn Technology Group Worker Recruitment and Training in Impoverished Areas). Printed Version,

The Henan provincial government subsidized the Foxconn recruitment project by paying recruiters as well as new workers (including student interns) with taxpayers' money. Specifics of the preferential policies, administered jointly by the Departments of Finance and Human Resources and Social Security, include the following:

1. Implement a policy of subsidies for job introductions at the standard rate of 200 Yuan per person from the designated employment fund.
2. Give every successful worker or intern a 600 Yuan employment or living subsidy from the designated employment fund.
3. The provincial government should provide appropriate incentives to work units or schools that arrange for employment and/or internships at Foxconn, with expenses assumed by the provincial financial administration.

Considering only the first and second items, for the targeted recruitment of 20,000 persons, the government bill would be 16 million Yuan (20,000 persons x 800 Yuan).⁵³⁶ Moreover, the Henan government gave monetary rewards to schools and labor agencies that fulfilled or exceeded recruitment targets.

The Foxconn recruitment drive involved officials from the provincial government, and the recruitment directives were cross-posted online at the All-China Federation of Trade Unions website. The core message was that even if internships for final-year students had already been arranged in the fall semester of 2010, “the schools should redirect them to intern at Foxconn, to ensure that after Foxconn has started operations in Henan, when it fully engages in high-volume production, there will be an abundant and high quality workforce.”⁵³⁷

In this mass mobilization, student interns and workers face foreign giants Apple and Foxconn that enjoy the full backing of the local state. With governments providing “special training funds”⁵³⁸ for schools that meet Foxconn labor quotas, the ties between government and the corporation are strong. In this way, Foxconn draws on

Appendix 1. 關於富士康科技集團在我省貧困地區招聘培訓員工工作的通知。

⁵³⁶ Henan Provincial Poverty Alleviation Office, 14 July 2010, Section 4.

⁵³⁷ Henan Provincial Education Department, 4 September 2010, “*Guanyu Zuzhi Zhongdeng Zhiye Xuexiao Xuesheng fu Fushikang Keji Jituan Dinggang Shixi Youguan Shiyi de Jinji Tongzhi*” (Emergency Announcement on Organizing Secondary Vocational School Students for Internships at Foxconn Technology Group) 關於組織中等職業學校學生赴富士康科技集團頂崗實習有關事宜的緊急通知. <http://acftu.people.com.cn/GB/197470/12932391.html>

⁵³⁸ *Tebie peixun fei* (特別培訓費).

government support to expand its industrial empire from the coast to central and western China at high speed.

Describing a process similar to the top-down student labor mobilization pattern in Henan Province, in December 2011, Foxconn Chengdu human resources manager Zhu Xi,⁵³⁹ a 31-year-old college graduate with seven years of work experience in a small state-owned factory, explained:

Over the past year, I've had monthly meetings with local government leaders responsible for the "Number One Project" [tailored for Foxconn Chengdu]. Indeed, the fulfillment of student internship targets has become a government priority. We've been discussing the detailed timetable and the scale of the Foxconn internship program, alongside the second-phase construction projects of factory dormitories.

Manager Zhu, a calm, square-faced Sichuanese with a military flattop, joined the Chengdu iPad plant from its opening in October 2010 and has been chiefly responsible for liaising between government and schools.⁵⁴⁰ He coordinated with the officials of Chengdu City Education Bureau, who were responsible for compiling a list of participating vocational schools through which they were linked to the Foxconn internship program. He elaborated:

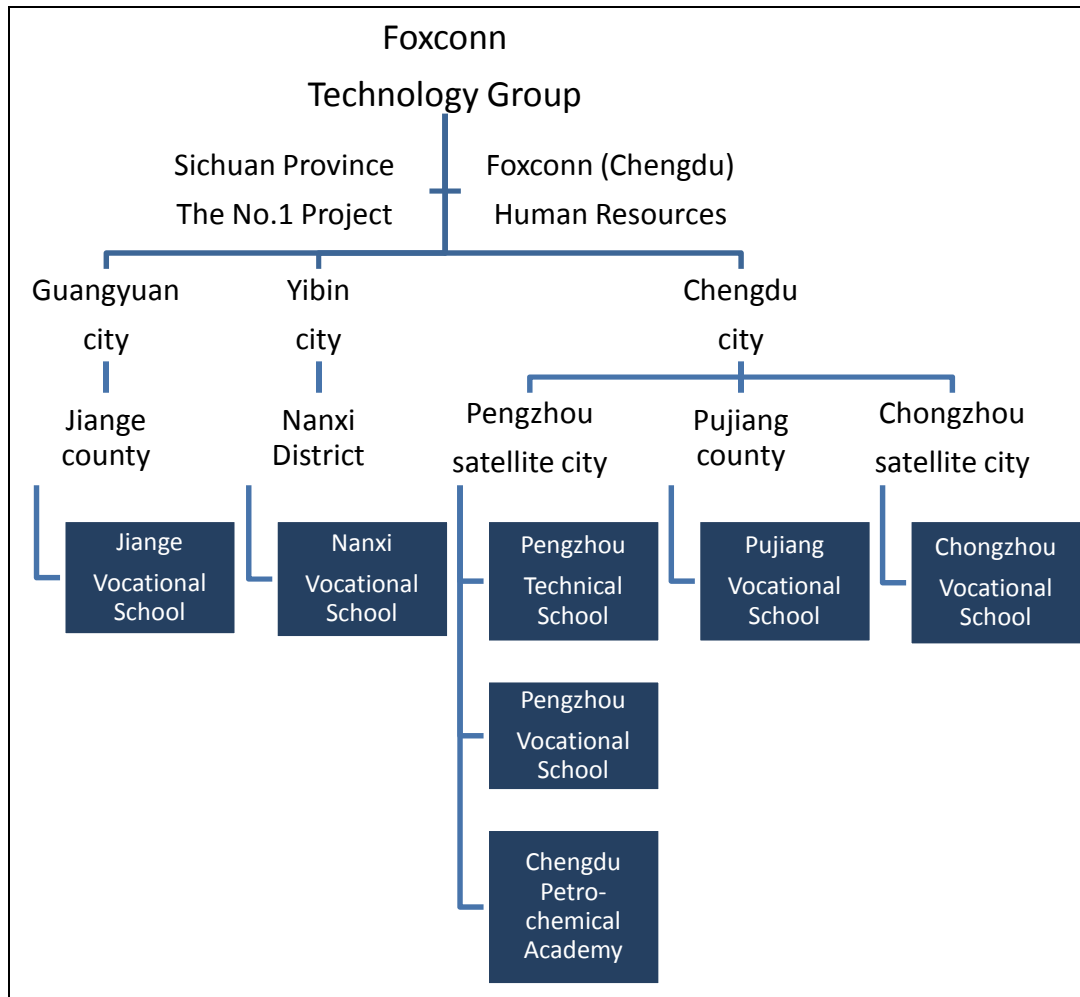
From September 2011 to January 2012, two senior officials from the Chengdu City Education Bureau are assisting us to implement the school-business cooperative project. We eventually worked out a comprehensive action plan to line up dozens of vocational schools for some 7,000 student interns in this semester. They agreed to hold meetings with teachers who're with us here to monitor the progress of student interns. We pay them on a monthly basis. We also pay the hundreds of teachers for their support to our internship program.

Figure 6.1 shows that Foxconn draws up its plans for student labor recruitment, then top-level government officials lead work teams across different administrative levels (city, county, district, township and village) to meet the deadlines, with the full cooperation of vocational schools under their jurisdiction.

⁵³⁹ Manager interviewee 3.

⁵⁴⁰ Government official interviewees 1, 2 and 5; Teacher interviewees 6 and 10.

Figure 6.1: Foxconn Internship through Government and School Mobilization



Note: This is a simplified illustration to show the recruitment of student interns through the triple alliance of Foxconn, local governments, and vocational schools.

Source: Field data collected in Pi County and Chengdu City, Sichuan (2011).

My interviews with local officials in Chengdu⁵⁴¹ reveal that the higher-level government implemented a rigorous system of supervision, through the collaboration with various departments that focuses on timely completion of labor recruitment assignments for Foxconn (including workers and interns):

1. The Human Resources and Social Security Department makes recruitment a top priority.
2. The Education Department arranges school-business cooperation, ensures that the number of graduates and interns meets the assigned goal, and that they are transported on schedule and properly supervised by teachers.
3. The Finance Department ensures that recruitment is adequately funded.

⁵⁴¹ Government official interviewees 1, 2, 4 and 5.

4. The Public Security Department completes work on job applicants' background investigations.
5. The Transportation Department assures appropriate transport capacity and safety.
6. The Health Department provides pre-employment physical examinations.
7. Other relevant departments ensure that recruitment work progresses smoothly.

In fact, the municipal government has developed special inspections for any county or district which “does not complete 50 percent of monthly tasks, or fails to complete human resources assignments for two consecutive months.”⁵⁴² In Pitong Town, a government official Mrs. Zheng told me that “we were tasked by the upper level governments to eliminate negative social attitudes toward Foxconn after the [2010] suicide wave.”⁵⁴³ The government team deploys the internet, radio, television, posters, blogposts, leaflets, telephone calls, door-to-door visits and the mail to “publicize Foxconn’s culture, and guide recruitment targets in the correct thinking and understanding.” The main contents are “Foxconn’s growth and development, its economic and technological strength, and its expansion prospects.” The goal is to saturate villages and towns and districts, communities, and schools with propaganda, to assure that Foxconn achieves the status of a household name.⁵⁴⁴

Sichuan provincial and lower level governments directed vocational school students under their jurisdiction to perform “internships” at labor-hungry Foxconn Chengdu factory complex. iPad student workers, in their first-person experience, reported suffering eye pains, headache, stomachache, weight loss, poor appetite and muscle stiffness.⁵⁴⁵ Teenage female students expressed their fears: “When we work, night and day shifts rotate every month, which leads to an endocrine imbalance, and menstrual cycles are often irregular.”⁵⁴⁶ Obviously overtime work at high labor intensity was driven by strong global demand for iPads. The interns have become a huge source of precarious labor in China’s industries.

⁵⁴² The People’s Government of Guangyuan (Sichuan), 25 January 2011, “*Changwu fushizhang Zhao Yong: Zai quanshi Fushikang Chengdu xiangmu renli ziyuan zhaomu gongzuo huiyi shang de jianghua*” (Foxconn Chengdu Project Human Resources Recruitment Conference: Speech by Zhao Yong, Deputy Mayor of Guangyuan City) (常務副市長趙勇：在全市富士康成都項目人力資源招募工作會議上的講話). <http://www.cngy.gov.cn/ht/2011/8/116560.html>

⁵⁴³ Government official interviewee 5.

⁵⁴⁴ The People’s Government of Guangyuan (Sichuan), 25 January 2011, “*Shi Laodong he Shehui Baozhang Ju juzhang Li Zaiyang: Zai quanshi Fushikang Chengdu xiangmu renli ziyuan zhaomu gongzuo huiyi shang de jianghua*” (Foxconn Chengdu Project Human Resources Recruitment Conference: Presentation by Li Zaiyang, Guangyuan Labor and Social Security Bureau Chief) (市勞動和社會保障局局長李在揚：在全市富士康成都項目人力資源招募工作會議上的發言). <http://www.cngy.gov.cn/ht/2011/8/116560.html>

⁵⁴⁵ Intern interviewees 19, 25, 28, 29, 32 and 33.

⁵⁴⁶ Intern interviewees 4, 7, 15, 30 and 31.

At Age 14: The Youngest Interns

The hidden issue of child labor was made public when an intern, born in December 1997, approached the state-run “Voice of China” radio program⁵⁴⁷ to call for help. In October 2012, “we assemble video gamepads on the line, work overtime and do the same as adults. We’re exhausted. We punch in at 7:40 p.m., and only when the work is actually finished do we get off our shift,” the student reported. The 14-year-old interns were racing against time to meet the precise production targets of Nintendo’s Wii U consoles at Foxconn Yantai in coastal Shandong province, which were to be launched in November for the Christmas markets.

The local government officials of the Yantai Economic and Technological Development Zone had been coordinating with vocational schools to fill a large quota of 19,000 laborers at Foxconn Yantai since the summer of 2012. Foxconn urgently needed students and workers to run 32 newly installed production lines. In September, at the beginning of a new school semester, the company recruited thousands of student interns, 56 of them below the legal minimum of 16 years of age, to meet the production needs at its 80,000-strong Yantai plant. By 16 October, the interns “had worked in the Yantai factory for approximately three weeks,” according to the Foxconn public statement, made in response to media pressure to acknowledge the fact that it was using child laborers.⁵⁴⁸

Foxconn apologized to the students’ parents and sent the interns in question back to school to quell public anger. It was also a response made to keep its business relationships with major Japanese clients. A week following the child labor scandal, on 23 October, Nintendo released a statement saying: “Nintendo was concerned to learn that underage individuals had been working at a Foxconn facility in China where components for some Nintendo products are produced.”⁵⁴⁹ But Nintendo did not review its ordering practices and the consequences for the workforce at its supplier.

⁵⁴⁷ China National Radio (中國人民廣播電台)’s “The Voice of China” (中國之聲) broadcasts main news and commentaries 24 hours a day.

⁵⁴⁸ Quoted in *Reuters*, 16 October 2012, “Foxconn Says Underage Workers Used in China Plant.” <http://wtaq.com/news/articles/2012/oct/16/apple-manufacturer-foxconn-says-underage-workers-used-in-china/>

⁵⁴⁹ Quoted in Richard George, 23 October 2012, “iPhone, Wii U Manufacturer Admits to Employing Children: Foxconn Violates Chinese Employment Laws,” *IGN*. <http://uk.ign.com/articles/2012/10/18/iphone-wii-u-manufacturer-admits-to-employing-children>

One year later, in October 2013, more than 1,000 student interns were recruited to pack Sony PlayStation 4 game-consoles on night shifts at the same Yantai plant, again violating Chinese internship regulations. Under public pressure, Foxconn said in a public statement, “Immediate actions have been taken to bring the campus [Foxconn Yantai] into full compliance with our code and policies...no night shifts for student interns, even though such work is voluntary.”⁵⁵⁰ Sony reiterated its supplier code of conduct, while failing to investigate how its own production requirements were putting pressure directly onto frontline workers at Foxconn.⁵⁵¹ Global brands’ concerns with supplier labor standards apparently become an issue only when embarrassing revelations force them to express concerns.

Forced Student Labor

Following public pressure, in 2012 and 2013, Apple commissioned the Fair Labor Association to oversee the employment of student interns, among other labor practices, at major suppliers.⁵⁵² The external assessors believed that “Foxconn will build upon its existing internship program to ensure that interns enjoy the protections necessary for a productive, healthy and safe educational experience.”⁵⁵³ In its 2012 remedial action plan, Foxconn agreed that first, student interns were not required to work overtime; second, their job was connected to their field of study; third, they were free to terminate the internship whenever appropriate.⁵⁵⁴

In January 2013, facing new media criticism, Apple was compelled to reiterate its standards for suppliers’ hiring of students: “Student working hours must comply with legal restrictions...We’ve begun to partner with industry consultants to help our suppliers improve their policies, procedures, and management of internship programs to go beyond what the law requires.”⁵⁵⁵ In a follow-up assessment, the

⁵⁵⁰ Quoted in Adam Pasick, 10 October 2013, “Your Playstation 4 May be Built by Chinese Students in the Worst Internship Ever,” Quartz.

<http://qz.com/133950/your-playstation-4-may-be-built-by-chinese-students-in-the-worst-internship-ever/>

⁵⁵¹ Sony spokesman Dan Race said, “Sony expects its suppliers, including Foxconn, to fully comprehend and comply with our Supplier Code of Conduct.” Quoted in Massoud Hayoun, 10 October 2013, “Chinese Students Pressured to Produce PlayStation 4: Reports,” *Al Jazeera America*. <http://america.aljazeera.com/articles/2013/10/10/chinese-studentsforcedtomanufactureplaystation4report.html>

⁵⁵² Apple, 2013, “Apple Supplier Responsibility: 2013 Progress Report,” pp. 6 and 8. http://images.apple.com/supplier-responsibility/pdf/Apple_SR_2013_Progress_Report.pdf

⁵⁵³ Fair Labor Association, March 2012, “Foxconn Investigative Report,” Appendix 5. http://www.fairlabor.org/sites/default/files/documents/reports/appendix_5_internships.pdf

⁵⁵⁴ Fair Labor Association, August 2012, “Foxconn Verification Status Report,” p. 3. http://www.fairlabor.org/sites/default/files/documents/reports/foxconn_verification_report_final.pdf

⁵⁵⁵ Apple, 2013, “Apple Supplier Responsibility: 2013 Progress Report,” p. 19.

Fair Labor Association team issued a positive report stating that they “found *no interns* had been engaged at [Foxconn] Chengdu since September 2011” (my emphasis).⁵⁵⁶ In effect, the assessors cleared Apple of any allegations of student labor exploitation at its iPad supplier factory. I have clear evidence to the contrary. Foxconn Chengdu human resources manager Zhu Xi informed me that “from September 2011 to January 2012, more than 7,000 student interns from within the province — approximately 10 percent of the labor force at the factory — were interning in Foxconn Chengdu.”⁵⁵⁷ One of the participating schools was Pujiang Vocational School, which sent 162 students on 22 September 2011 to undertake “a three-month internship.”⁵⁵⁸ Large schools such as Pengzhou Technical School had up to 309 students, accompanied by six teachers, to take part in the Foxconn Chengdu internship program beginning in the September 2011 semester, subject to extension in accordance with iPad production needs.⁵⁵⁹

Apple and its partner Fair Labor Association have failed to curb flagrant corporate abuses. The interns told me that they “risked not being able to graduate” if they refused to do internships at Foxconn.⁵⁶⁰ Instead of admitting its complicity with Foxconn over “unfree” student labor use, in February 2014, Apple pointed an accusing finger at vocational schools and teachers: “Schools often fail to perform the necessary due diligence to match students with appropriate internship opportunities or provide them with adequate support.”⁵⁶¹ Scott Rozelle, co-director of the Rural Education Action Program at Stanford University, has been collaborating with Apple since 2013 to implement a monitoring and evaluation program of student internships in Apple’s China suppliers, while the findings are not yet publicly available.⁵⁶² Interns seem to have become a captive part of a new industrial working class.

Concluding Remarks

The partnership between vocational schools and Foxconn (as well as other

http://images.apple.com/supplierresponsibility/pdf/Apple_SR_2013_Progress_Report.pdf

⁵⁵⁶ Fair Labor Association, May 2013, “Second Foxconn Verification Status Report,” p. 5.

http://www.fairlabor.org/sites/default/files/documents/reports/second_foxconn_verification_status_report_0.pdf#overlay-context=

⁵⁵⁷ Manager interviewee 3.

⁵⁵⁸ Teacher interviewee 12.

⁵⁵⁹ Teacher interviewees 13 and 14.

⁵⁶⁰ Intern interviewees 5, 9, 10, 24 and 38.

⁵⁶¹ Apple, 2014, “Apple Supplier Responsibility: 2014 Progress Report,” p. 13.

http://images.apple.com/supplier-responsibility/pdf/Apple_SR_2014_Progress_Report.pdf

⁵⁶² Rural Education Action Program (REAP), Stanford University, 13 February 2014, “Apple and REAP Partnering to Protect Student Workers in China from Exploitation.”

http://reap.stanford.edu/news/apple_and_reap_partnering_to_protect_student_workers_in_china_from_exploitation_20140213/

electronics companies⁵⁶³), in the name of student internship and on-the-job training, is not one-off. At Foxconn, managerial responsibilities to assure student acquisition of skills and knowledge are hallowed out. Among the consequences of the massive employment of interns is the dragging down of wages and benefits of regular employees by providing a reliable supply of cheap internship labor, thus furthering the erosion of economic rights and job quality.

Ross Perlin in his book on American and European internship practices, *Intern Nation*, comments, “The very significance of the word intern lies in its ambiguity...unpaid internships, once rolling, tended to crowd the paid ones off the road.”⁵⁶⁴ The incorporation of students in the workplace through abusive practices in the guise of internships has inevitably generated pent-up grievances and anger over unfair treatment, and conflicts have erupted periodically, such as the fistfight among the student workers. Facing a situation of multiplying grievances, employers manipulate and reinforce internal divisions among workers along differential employment status (workers/interns), educational and skill levels, and so on.⁵⁶⁵ Social injustice is deepened when young, vulnerable student interns are forced to work.

Image-conscious companies such as Apple, Nintendo, and Sony have pledged that they would ensure their suppliers to comply with international and national labor standards. The critical reality, however, is the corporate search for ever cheaper and more pliable labor in the global market. Production, distribution, and consumption must continue in perpetuity if profits are to be made and capital accumulated. At the same time, labor and educational laws regarding student internships are flexibly bent to facilitate corporate growth. In China’s rise along the global value chain, the extensive use of student labor is underwritten by local governments and schools. As a result, student workers’ fundamental rights are sacrificed at the corporate altar in transnational production.

⁵⁶³ My interviewed teachers admitted that they had also arranged internships at smaller electronics factories in Wistron (a spun-off manufacturing arm of Taiwanese-owned Acer) and Compal Electronics (a Taiwanese-owned laptop and electronic equipments maker), without reference to students’ interests and areas of expertise.

⁵⁶⁴ Ross Perlin, 2012, *Intern Nation: How to Earn Nothing and Learn Little in the Brave New Economy*, London: Verso, pp. 23, 28.

⁵⁶⁵ Besides electronics, researchers found that “student apprentices” or “trainees,” along regular workers, were widely used in auto factories. See for example, Lu Zhang, 2008, “Lean Production and Labor Controls in the Chinese Automobile Industry in an Age of Globalization,” *International Labor and Working-Class History* 73 (Spring), pp. 24–44.

Chapter 7

Living in the City

“Birds, don’t be silly, no one cares whether you’re tired from flying,
people only care how high you fly!”

— Ou Yang, 19, a female Foxconn worker⁵⁶⁶

Consumers across the globe face a dizzying array of choices in the latest electronics gadgets. China’s teenage workers who produce these goods are just as eager to buy them as Western consumers. Ou Yang, a 19-year-old Foxconn worker, talked about her future. “Someday,” she mused, “I want to drive a brand new Honda and return home in style!” For the time being, she dreamed of buying an iPhone, and she would work as hard as necessary to do so.

Yang was born in a “traditional village” in Hekou Town, Dawu County, Hubei. The most important event for every household was the birth of a son. After giving birth to a son, a family could hold its heads high; those who did not have a son were mocked or even bullied. When Yang’s mother was pregnant yet again, the entire family was brimming with expectations. But alas...another girl! Her father was so disappointed he sulked all day. Her grandmother, anxiously awaiting a grandson to embrace, refused to give a name to the new child. Later, the family’s hopes were shattered as Yang’s mother gave birth to two more baby girls in desperately trying to produce a male heir.

“When mother was young she was very beautiful, which is why my father married her. Not long after they married, father always listened to her. But after she gave birth to four girls in a row, mother no longer had status in the family. So then he took control of the family, and in our household my father’s word is final. Now he treats mother badly, even beating her.”

To neighbors and family members, Yang’s mother had become a woman to be bullied or pitied. From the time Yang was young, sensing her mother’s pain, she felt a special love for her. When others, even her elders, criticized her mother for no reason, Yang boldly stood up in her defense, raising her spirits and attempting to beat back the attacks and protect her. This earned her a nasty reputation for being badly

⁵⁶⁶ My thankfulness to the University Research Group’s interview with Foxconn woman worker Ou Yang (not her real name). Here I open the chapter by mainly reporting her story, with additional data drawn from my own interviews.

brought up.

Yang cultivated a strong, rebellious personality. She said: “I want the whole village to know, the girls in our family are extraordinary!” She wanted to seem different, not like other girls. Her desire for independence and freedom fused in her dream to own an iPhone. Working for Foxconn seemed one step closer to making her dream a reality.

Aspiring for a New Life

This new generation of rural migrants is profoundly aspirational and it is this that makes the reality of work on the assembly line at Foxconn and other factories so challenging, and so frustrating. After graduating from middle school in her hometown, Yang hoped to enter a vocational school in Wuhan, the provincial capital of Hubei, to study photography, but her parents refused. Money was tight. At that time, her father had a business selling building materials, but he did not earn much. Having three sisters in school at the same time seemed too great a burden. Whenever Yang thought about asking her parents for money, she felt ashamed. “I felt as if I was one of my parents’ debts.”

In a fit of anger, Yang left home to work, determined to become independent. With her still childish face and a bookbag on her back, Yang showed up at a garment factory in Shanghai where her cousin worked. Taking on an apprenticeship, she received only 400 Yuan per month as living expenses for the first three months. It was the summer of 2008.

Yang worked in the small garment factory for a year, “each day consisting of one assembly line and three points — dormitory, factory and cafeteria — life was pure and simple.” Finally one day, she grew weary. In this kind of life, “aside from the weather changing outside the window, nothing changes,” she thought.

But as if a restless spirit had crept into her body, Yang began to look forward to changing her life. She left the garment factory and went to work at Foxconn. In this, Yang was fairly typical of the other young people I met.

Most workers interviewed told me of their efforts to improve their incomes and skills by moving between jobs. Others took up part-time jobs. Yang had joined a “Perfect Beauty” direct sales training course, through the introduction of someone she

affectionately called “big sister,” hoping to earn more money by selling cosmetics.⁵⁶⁷ She asked rhetorically, “Why should I aspire to have less than others? I like to go shopping, I like to wear make up...My relationship with my line manager is good because I often treat him to meals. When the other workers on the factory line have to do a lot of overtime, I can take off and run my own business.”

Yang was dressed more fashionably than most other workers, wearing a dropped waist, knee-length skirt. She had the air of a mature and experienced young woman who knew how to make friends and how to protect herself from hardship. In the future, Yang plans to return to Wuhan to settle, thinking above all of helping her mother. “We can get up at 6 every morning hand in hand and walk in the park, come back at 7 or 8 and have breakfast, then sit on rocking chairs holding a fan, chitchatting, at night eat some watermelons, watch some television. Mother said that if she is able to live like this for just a while she will be satisfied. She has had only two hopes in life, one is to live a life of ease like this; the other is to visit Tiananmen Square in Beijing to see the flag raising ceremony. I don’t think it’s hard! I can help her make it happen.”

Production and consumption are intertwined in the lives of young working people.⁵⁶⁸ Yang and her peers aim to provide a comfortable home and a better future for their parents and loved ones. This chapter looks into the social and living conditions of workers, including married couples, in typical factory towns in today’s urban China.

Living in the Dormitory

The factory dormitory complex incorporates a massive internal migrant labor force without the support of family networks.⁵⁶⁹ Foxconn houses its employees in dormitories at or close to the factory, in which the workplace and living space are compressed to facilitate high-speed production. In recent years, Foxconn is not only facing challenges from workers for better pay and benefits. It also has to work out where its workers should live — its more than one million workers are primarily new migrants to the urban areas where they work.

⁵⁶⁷ Yang’s co-workers also joined another direct sales company Mary Kay, Inc. as part-time “beauty consultants” because “earnings at Foxconn are too small.” Worker interviewees 6, 9 and 11.

⁵⁶⁸ Cara Wallis, 2013, *Technomobility in China: Young Migrant Women and Mobile Phones*, New York: New York University Press.

⁵⁶⁹ Stefan Al, ed., 2012, *Factory Towns of South China: An Illustrated Guidebook*, Hong Kong: Hong Kong University Press.



A Foxconn dorm room houses six to 12 workers in double-bunk beds. Night-shift workers sleep during the day, while day-shift workers are at work. Photo credit: Eric Tsang.

From the interviewed workers' perspective, the dormitories provide inexpensive housing close to their employment.⁵⁷⁰ In Shenzhen, as the workforce began to expand rapidly in the 1990s through the early 2000s, Foxconn's planned housing facilities within the gated Longhua factory were unable to cope with the rising need. In 2006, Foxconn bought an entire block of four-story factory buildings in the

⁵⁷⁰ Worker interviewees 13, 15 and 19.

adjacent industrial park and filled them with bunk beds, accommodating as many as two hundred people on a single floor. The toilets and shower rooms were “a big mess,” a worker recalled.⁵⁷¹ Group fighting, thefts, and other personal security problems arose in this pressure-cooker atmosphere, and they constantly drew the attention of company security officers, but most of the cases went unresolved. Foxconn began to negotiate with local government officials to seek other solutions to the overcrowded conditions. “In just six months, the Guanlan factory completed construction and opened in July 2007, providing high-rise dormitories to meet corporate growth,” another worker reported.⁵⁷²

Newly built dormitories have better facilities than the older ones, and are equipped with shared television rooms and cafeterias. Nevertheless, the basic conditions remain unchanged: a Foxconn dormitory room typically houses six to 12 workers. The company practice of rotating day and night shifts not only affects workers’ rest but also hinders their ability to make friends and set up networks of social support. With dormitory roommates assigned to different departments and often working different shifts, it is difficult to rest or to socialize. When speaking of her roommates, Tian Yu recalled, “We were not close.”⁵⁷³ She showed me the management record of her dormitory as follow:

	Staff No.	Business Groups*	Production Departments#	Dormitory Registration
1.	F9341932	NWInG	FKD	29 January 2010
2.	F9450222	SHZBG	Mac BU (II)	18 March 2010
3.	F9422526	CMMSG	AP (V)	10 March 2010
4.	F9447733	CCPBG	TAMG TEAM	27 July 2009
5.	F9425127	CMMSG	IPPD LX (I)	10 March 2010
6.	F9347140	iDPBG	DSPG DSD LCM	8 February 2010
	<i>(Tian Yu)</i>			
7.	F9341960	NWInG	FKD	29 January 2010
8.	F9295026	PCEBG	ABD (II)	21 December 2009

* NWInG (Net-Work Inter-Connection Business Group);
 SHZBG (Super Hong Zhun, also known as Super Precision Mechanical Business Group);
 CMMSG (Component Module Move Service Group);
 CCPBG (Consumer and Computer Products Business Group);
 iDPBG (integrated Digital Product Business Group);
 PCEBG (Personal Computing Electronics Business Group).
 # Workers receive no explanation of the English acronyms of production departments.

⁵⁷¹ Worker interviewee 8.

⁵⁷² Worker interviewee 5.

⁵⁷³ Worker interviewee 1.

Yu's roommates all came from other provinces and their jobs were in seven different production departments (out of the eight departments in the above list). Random dormitory reassignments break up friendships and localistic networks. Although eight girls were housed in the same room, Yu said, "We were strangers to each other. Some of us had just moved in as others moved out. None of the roommates was from Hubei." Yu's father explained the significance of this: "When she first came to Shenzhen, sometimes when others spoke, she couldn't understand much."

Dormitory Rules

Living in the Foxconn dormitories, even the workers' leisure time is tightly monitored. The concept is one of total control — not only are workers barred from cooking (in the name of fire safety), washing clothes (to save water and energy through the factory cleaning service), and subject to a curfew, but even visits by family members are heavily restricted. The main aim is to integrate labor and living arrangements into a seamless whole of service to the company. The company dormitory system is cost-efficient, ensuring workers spend their off-hours preparing for the next shift.⁵⁷⁴

The same set of rules applies in all Foxconn dormitories regardless of location. Every Foxconn worker is required to swipe the electronics staff card and to wait for the green light before walking up the staircase. Security officers monitor the dormitory gate around the clock and in some cases they inspect every floor. Male and female workers are forbidden to visit one another's rooms. Sex is forbidden. (Foxconn is silent about homosexual activities). Managers talk about the importance of morality, co-operation and obedience — all are essential to maintaining the discipline of the workforce.

⁵⁷⁴ Daniel You-Ren Yang, 2013, "A Tale of Foxconn City: Urban Village, Migrant Workers and Alienated Urbanism," *Rural Migrants in Urban China: Enclaves and Transient Urbanism*, edited by Fulong Wu, Fangzhu Zhang and Chris Webster, Abingdon: Routledge, pp. 147-63.

宿舍管制规定

- 一. 严禁存放违禁品, 如: 枪支、弹药、管制刀具、易燃易爆品等
- 二. 严禁在房间及非吸烟区内吸烟
- 三. 严禁使用大功率电器(200W以上)
- 四. 严禁在宿舍赌博、酗酒及从事非法活动
- 五. 严禁带领外人进入或留宿外人(含非本宿员工)
- 六. 严禁男女员工相互串门
- 七. 严禁翻越围栏/高空抛物
- 八. 进出宿舍请刷卡并严防外人跟随进入



严禁存放违禁品



非吸烟区禁止吸烟



严禁使用大功率电器



严禁赌博等非法活动



严禁带领/留宿外人



严禁男女互串



严禁翻越围栏/高空抛物



主动刷卡出入

安全管理处 宣

Foxconn dormitory management rules. For example: "It is strictly prohibited to use high-powered electrical appliances (200W or higher); "It is strictly prohibited to bring outsiders in or put up outsiders as guests (including workers who are not from this dormitory); "It is strictly forbidden for male and female workers to drop in on one another." Photo credit: Jenny Chan.

Chen Ximei⁵⁷⁵ lives in the Foxconn Youfu Dormitory in Shenzhen, sharing a room with eleven other girls. She is hoping to move out soon. “The factory dormitory is not my home; this is only temporary... In my home town, the Maling River Gorge is a famous tourist spot,” situated six kilometers from Xinyi Town in southwest Guizhou province. “Now when I close my eyes, I’m listening to the melody of the waterfall. It’s so beautiful.”

Ximei is not married and is in the enviable position of being able to spend what she earns without having to provide financial support to her parents. She was excited to learn that Foxconn “is bidding for a big contract to produce Apple iTVs [internet-connected televisions]” as she loves movies and TV dramas, downloadable to her cell phone at discounted membership fees. She likes Shenzhen, even though the working hours at Foxconn “are very long and wages really not as high as people think.” She adds, “the dorm conditions are also not good... there’s not much freedom.” She hopes to save enough to open a boutique or beauty shop in the city before marrying. Foxconn pays on the 12th every month. On payday, “cash from the ATMs in our neighborhood will be withdrawn, and restaurants and shopping malls will be flooded with Foxconn people,” she cheerfully describes.

City Life

With housing values soaring in cities and large towns, the dream of owning an apartment is a pipedream for low-wage workers. In July 2012, government-subsidized housing prices at a sub-district in Shenzhen were between 6,400 and 7,900 Yuan per square meter, but just 2,888 units were provided for needy individuals or families.⁵⁷⁶ In the private market, in Qinghu Village (near Foxconn Longhua’s North Gate), the selling price for an “economical apartment” was between 10,000 and 12,000 Yuan per square meter. In view of average Foxconn worker’s income of around 2,000-2,500 Yuan per month (including overtime premiums) in 2013, most of them would never be able to afford to buy flats in the city where apartment prices have been rising.

New construction projects for luxurious residential apartments and international hotels have been approved one after another, transforming the urban landscape overnight. With the opening of the 20-kilometer Shenzhen Longhua Metro Line in June 2011, the transportation network was extended from the Futian checkpoint on

⁵⁷⁵ Worker interviewee 42.

⁵⁷⁶ Shenzhen Government, 25 July 2012, “Low-Income Housing Project to Start Sales.” http://english.sz.gov.cn/ln/201207/t20120725_1953503.htm

the Hong Kong border to the redeveloped Longhua New Town, reaching Foxconn's flagship factory complex. In metropolitan cities such as Shenzhen, cost of living has risen steadily. Food, housing, transportation, education, medical care and other social services have all become commodities in the market economy. Without a long-term public housing policy to subsidize or provide housing for low-income people, the majority of workers have little choice besides factory dormitories. But some do manage to find alternatives.



Disco, boutiques, supermarkets and branded stores targeting young consumers are among the popular places frequented by workers living in the Foxconn Youfu dormitory zone, Shenzhen. Photo credit: Jenny Chan.

Housing in Shenzhen accounts for a large share of monthly expenditures for Foxconn workers who choose to live on their own. In 2012, the monthly rent for one room in an industrial town ranged from 350 to 550 Yuan, approximately three to four times the standard Foxconn dormitory rate. Bathrooms are shared by residents of the same floor in the least expensive rooms. Inexpensive rooms have no windows. But a worker remarked, “Some have a narrow window set very high, near the ceiling, which overlooks nothing but at least is a link to the outside world, the noise of the road, sunlight and wind.”⁵⁷⁷ Some complexes are infested with rats and cockroaches.

⁵⁷⁷ Worker interviewee 28.

For a two-room unit, the monthly rent at Wayaopai Village near the West Gate of Foxconn Longhua ranged between 750 and 950 Yuan, depending on the size of the rooms and provision of basic facilities, such as a television set and a water heater for hot showers. Utilities and property management fees vary widely. A 24-year-old woman worker⁵⁷⁸ who shared a unit with her partner, explained: “The price has been soaring, up twenty percent from last year. Our landlord mistakenly believed that Foxconn had raised our wages to two thousand yuan per month! It’s not true. Far from it!” She added, “They don’t realize that it’s only after we work overtime that we have a bit more money to pay the rent. Over these past two years, our earnings have been eaten up by the landlords and shop owners.”

Among my interviewees, the Liang family is better off than most other junior workers. Liang Zejun⁵⁷⁹ has been working at Foxconn Longhua as an office assistant since 2005. Her college-graduate husband is an engineer in the company. As of October 2011, their combined monthly income was nearly 8,000 Yuan, more than four times that of an entry-level worker. After giving birth in 2007, Zejun left her son at her Hunan hometown when he was only two months old. “I had to rush back to work after maternity leave. There was no alternative.” Eventually, Zejun convinced her mother-in-law to bring the baby to Shenzhen. “We understand that separation is not good for our son’s development. Last year we only got to see him once during the Spring Festival. So we decided to make a change. It took a while for my mother-in-law to adapt to the hectic city life. She’s in her late fifties; it’s really not easy,” she explained. The Liangs, however, could arrange family affairs in ways not available to most workers, who earn a fraction of their income. The three generations reunited in Shenzhen; a happy family photo is framed in the center of their living room.

Zejun was pregnant again in the summer of 2010. As she and her husband are both only children born in the early 1980s, they are eligible to have a second child. When I arrived at their home one evening, Zejun was carrying her six-month-old baby daughter, while the grandmother was taking care of the five-year-old boy. Mr. Liang cooked for us. He said, “We’re pleased to have one son and one daughter. We want to give our children a really fun childhood with lots of company from their friends.” The boy is now in a kindergarten in the residential community.

“The private kindergarten on the street corner has one hundred and fifty children; all

⁵⁷⁸ Worker interviewee 15.

⁵⁷⁹ Worker interviewee 35.

are children of migrant workers. It is a migrant kindergarten. This autumn semester, the tuition fees total 5,000 Yuan. There is a cheaper one, but it's quite far away. Travelling costs and travel time are additional costs," Zejun explained.

In the long run, the Liangs plan to save money to buy a flat in a town in Changsha, the provincial capital of Hunan, where their household registration is and where their children will be eligible to attend public high schools and universities. While they express concern about raising young children and their future, many others are struggling to make ends meet under much less favorable conditions.

Cui Yuanyuan,⁵⁸⁰ 20, started working in Foxconn Longhua as an assembly-line worker in 2009. Soon after she got married, Yuanyuan gave birth to a baby daughter in her home village in Jiangxi province. "I left my parents and my daughter when she was only one month old. It's very hard," Yuanyuan told me. On a Sunday morning I visited the family in their 30-square-meter rental room. Yuanyuan was humming a local pop song and knitting a colorful dress for her baby. Yu Xiatian, 26, a strong tall man in a black v-neck sweatshirt, was self-employed. He disliked working for the boss at Foxconn and resigned in March 2011. "You feel like you are losing all your freedom on the line. Day after day, my hope for a better life seemed to get further away."

Later, Xiatian rented a van and began selling bananas. "I work seven days a week. I buy bananas directly from farmers at half-past five in the morning. Then I drive to the main footbridge opposite Foxconn Longhua Zone D, where workers pass through the electronics factory gate to and from work. Several dozen hawkers sell oranges and other kinds of fruit at these hot spots." Xiatian's voice rose as he talked about a good sale that morning.

"If city management officials don't show up to demand licenses or to extort money, it's great. I sell cheap and in large quantities." Xiatian is now exploring different markets, selling bananas at Foxconn's offsite dormitory areas, targeting workers as his main customers and providing bananas to nearby shops. Time and again, however, four- to five-member gangs attacked Xiatian and other hawkers, demanding "protection fees." He told me, "It's pointless calling the police. We're not authorized to sell on the street. We don't have business licenses." Xiatian remains insecure as he seeks to sustain his one-man business in the face of pressures from the government authorities and the gangs, and the fierce street market competition.

⁵⁸⁰ Worker interviewee 36.



Street hawkers at the West Gate of the Zone D at Foxconn Longhua factory, Shenzhen. Photo credit: Jenny Chan.

Yuanyuan and Xiatian's home is clean and modest. The living room has a second-hand television set and a folded table. There is a small kitchen and a bathroom. I sit on a stool to enjoy the bananas. "Economic conditions in our village in Jiangxi are not good. For our daughter's future, we want to bring her to Shenzhen, no matter how hard it may be," Yuanyuan said. "I think it's very important that my only daughter receive a good education. I don't want her to grow up in the same traditional way like us."

In confidence, Xiatian asked if I knew of any part-time job opportunities. Banana sales have been erratic. "Sometimes business is good, but at other times it's bad, especially when I get fined for obstructing public space." He had thought of renting a food stall and joining friends in a partnership, but he had no start-up funds. Meanwhile, Yuanyuan and Xiatian were cutting back on food consumption and transportation costs to try to save. "Commodity prices have surged everywhere. If we get sick, we'll be in debt." Obviously, making a home for a family in Shenzhen will be a big challenge.

Marriage and Family

At a noodle stand in the night market next to the Foxconn Chengdu dormitory, I met Duan Dong,⁵⁸¹ a 19-year-old school drop-out from Qionglai city, a county-level city in western Sichuan. One night Dong brought his girlfriend to join me for a drink. They wore commitment rings, and it seemed very romantic. But when I asked about the rings, Dong said, “We wear them for play.” When I further inquired about marriage, he looked very serious and said “marriage isn’t just about feelings, it also takes a lot of money.” In the mainstream society, the man must provide the money, the house, the furniture and so on. “This is no small responsibility.”

Dong introduced me to his colleague, Ouyang Zhong,⁵⁸² who is married with a baby daughter. Like many other low-income workers, Zhong is unable to bring his family under the same roof in Chengdu city. He said, “The Foxconn wage is not enough for a family of three. My wife is working in a township restaurant, not too far from my father’s home, so she can go back once a week to look after our child, while my parents are the main care providers.” Zhong is alone in the city, working hard to make money to support his family.

Zhong regularly sends home an average of 500 Yuan a month. On special occasions, such as his parents’ birthdays and the Spring Festival, he sends “a thousand or so to the family for celebration.” Once, he passed me his Nokia cell phone and asked, “Is the kid on the screen cute?” Before I could reply, he said, “So cute, I really want to go back home soon. She’s really naughty!”

Zhong told me, “I love my daughter. I miss her so much.” While doing overtime work, occasionally up to 80 hours a month, he tried to keep personal living expenses to a minimum. He earned a personal record 2,501 Yuan in August 2011, during the peak production month. “For migrant workers like us, there is a lot of pressure, and the future is uncertain. We’re afraid to set up a household outside [of the factory compound].” His average wage is low, and he also fears that Foxconn could transfer workers any time they wish. “If you cannot go along with the move, you lose your job. If you’re transferred, there is no choice but to move to another place.” His sense of insecurity is profound.

Household savings as a share of disposable income sharply increased from 16

⁵⁸¹ Worker interviewee 37.

⁵⁸² Worker interviewee 32.

percent in 1990 to 30 percent in 2007, according to a household survey covering 122 rural counties and 77 cities across major Chinese provinces.⁵⁸³ This constitutes a barrier to expanded consumption, suggesting precautionary behavior in view of uncertainty and a “competitive saving motive” for improving prospects for young workers in the marriage market. High savings are essential for workers who lack adequate health insurance and pensions. In addition, male workers (and their parents) need to save money to enhance their attractiveness as husbands — the gender imbalance amongst the current generation of young people means that there is a shortage of brides.

Zhu Weili,⁵⁸⁴ Dong’s cousin, was wearing blue jeans with Nike sneakers and a dark-blue Foxconn jacket when we met. Although he affected a sporty, sunny look, he too expressed anxiety about his future, especially about having a family. At 25 years old,

I’m no longer able to muddle along at my job. Every month I make only a little over a thousand yuan. If I marry, I will have to provide for kids, and it’s really not enough for that...Most people in my dorm are unmarried. Married people generally won’t come here. The wages are too low.

China’s economic reform has spurred high-speed growth, rapid urbanization, and rising incomes for many, but it has also widened social inequality and placed many workers, who lack marketable skills and start-up capital, under intense pressure. The relocation of new plants inland brings many workers closer to their jobs, but for the great majority, the problem of divided families remains unresolved.

Concluding Remarks

Yang, who we met at the beginning of this chapter, is young, hopeful, and determined. Perhaps one day she will fulfill her dream of returning home in a brand new Honda, an iPhone in her back pocket. Despite her exceptional drive to succeed, her future, like that of other low-wage migrants, is highly uncertain. In my interviews, young workers’ expectations of gaining skills and rising through the bureaucratic factory system are frequently unfulfilled.

⁵⁸³ Shangjin Wei and Xiaobo Zhang, 2011, “The Competitive Saving Motive: Evidence from Rising Sex Ratios and Savings Rates in China,” *Journal of Political Economy* 119(3), pp. 511-64.

⁵⁸⁴ Worker interviewee 38.

For the young cohorts of workers, the higher their aspirations for embracing “the Chinese dream,” the sharper is the contrast to their grim prospects. Their working and social lives follow a monotonous pattern — sleep, work, eat, and then sleep. Well aware of high burnout rates among factory workers and limited prospects for advance, some attempt to save from their meager salaries to start small businesses in the city or elsewhere. Most such businesses, however, quickly fail, the years of scrimping and saving coming to naught.

Interestingly, the story of China’s rural migrants — no longer just about tolerance of hardships and passiveness of self — is entering a new phase. Discontent that has been pent up within the Foxconn Empire periodically explodes, as we will see in the following two chapters. Conflicts over wages and benefits, working and living conditions, and (forced) frequent transfer of workers and staff within the giant industrial complexes, have been surging. Labor resistance, in collective protests and lawsuits, has been closely observed.

Chapter 8

Legal Activisms: Taking Foxconn to Court

On 13 October 2011, a heavy rain was pouring down on Shenzhen Municipal Intermediate People's Court, Guangdong. I underwent an identity check and handed my smartphone to the guard before entering the courtroom on the third floor. It was 4 p.m. Foxconn's lawyer and a company manager sat on the right, while a female worker Chen Chunhua⁵⁸⁵ and her lawyer Mr. Long were seated on the left. In the center was a high chair reserved for the judge, with a lower chair in front for the administrator. The court setting was familiar to Chunhua. She put aside her umbrella, opened a white folder and prepared to present her statement. For the past year she had been negotiating with Foxconn over employment rights and compensation.

The labor dispute arose a year ago in September 2010 when Chunhua, a 29-year-old office worker, was ordered to move from Longhua, the economic hub in southeast Guangdong, to the Foxconn Yantai plant in northeast Shandong, 1,200 miles away. "As the assembly lines in our business group were moved, we were simply told to go," Chunhua told me. Since 2004 Foxconn has expanded its investment in the Yantai Economic and Technological Development Zone, an economic zone established by the Shandong provincial government under the coastal development strategy in 1984. Foxconn Yantai builds video game-consoles under contract for Japanese and American buyers. As of June 2010, the local minimum wage in Yantai city was only 920 Yuan per month, compared to Foxconn Longhua's basic pay of 1,200 Yuan per month in Shenzhen.

Chunhua insisted that she would not leave Shenzhen. "I was hired at Shenzhen Longhua, not Yantai, right? I have been working and living in Shenzhen for a decade, even though my official household registration is in a village in Puyang City, Henan." In August 2000, at 19, she had left home to work in the big city, hoping to support her parents and younger brother, then a middle school student.

At the time of labor dispute Chunhua had been employed at Foxconn for four years. "In 2006, I was still working at a French-owned company, Thomson Okmco, a Shenzhen-based subsidiary of Thomson Multimedia. One day our director announced that Foxconn had signed a merger agreement with our company. He assured us that most of us would be given new employment contracts at the

⁵⁸⁵ Worker interviewee 3.

Shenzhen Longhua plant.” Foxconn hired Chunhua as a junior staffer in the Consumer and Computer Products Business Group (CCPBG). “My major responsibility was to fill out product information sheets on video game-consoles and prepare meeting minutes for the team leader. I worked the day shift in the office at Block D5. When there was a lot of work, I was also required to work overtime at night and on the weekends.” As of September 2010, Chunhua’s base wage was 1,360 Yuan per month, that is, 160 Yuan above the entry-level worker wage.

In a residential community of Shangmeilin in Shenzhen, Chunhua shared a rented room with her partner, Haozheng, who is a native of Guangdong. She took out a heavy pile of company documents from a drawer and recounted her one-year legal battle. “I’d have given up on my lawsuit long ago if not for Haozheng’s support. Think about the fact that I didn’t even have a place to sleep after clearing out of the dormitory.”

In recent years, Foxconn has moved its business to new areas of China to stay competitive. In the course of the company-organized “harmonious migration” that was synonymous with the relentless territorial expansion of the Foxconn empire, workers have experienced new tensions and insecurities.⁵⁸⁶ Chunhua emphasized, “Many of my colleagues have been transferred out of Shenzhen. But I told my direct supervisors that I was not prepared to go to Yantai. I’d rather take another office job under the same terms at Longhua. In fairness, I should have the opportunity to discuss this situation with them and then work out a new contract.”

To Chunhua’s surprise, in early October 2010, she was told to report to a production line leader of another business group, Communication and Network Solution Business Group (CNSBG). On 9 October, “I found that I could no longer access my office. My electronic work card was disabled.” Chunhua’s senior supervisor told her that “my personnel file had just been sent to the CNSBG and I should report for duty there.” Chunhua’s job duties were completely changed. “I was assigned to an assembly line. I would also have to work at night. I felt very bad about the demotion.” While assured she would receive the same pay, Chunhua became very upset. “I wouldn’t be working in the office any more. Is this reasonable?”

On 11 October, Chunhua approached Mr. Liu, the Taiwanese director of her original business group and said, “This job transfer is unfair, isn’t it? I demand a proper job

⁵⁸⁶ In Foxconn’s propaganda, the development of local economies at “home” is branded, in Chinese, as *hexie tuojiang* (和諧拓疆).

assignment; otherwise Foxconn should compensate me for all my years of service and end the labor relationship in accordance with the law.” But Foxconn refused to offer Chunhua either an office job or severance pay.

“Either I obey the order or quit empty handed. I couldn’t sleep all night.” On 12 October, Chunhua was admitted to the Shenzhen Futian No. 2 People’s Hospital for depression and suicidal tendencies. The doctor advised her to take two weeks’ sick leave. “My health deteriorated. I was so angry that I could not eat or rest properly. Foxconn never returned my calls.” Between 5 November and 30 December 2010, Chunhua was sent to the Corning Psychiatric Hospital in Shenzhen for specialized treatment. The diagnosis was acute stress psychosis.

Three Lawsuits against Foxconn

Increasing numbers of aggrieved workers have filed claims with government institutions despite the fact that legal action requires an enormous investment of time and money. Between 2011 and 2014, I got to know office assistant Chen Chunhua, Xie Mingli⁵⁸⁷ a 30-year-old human resources manager, and 25-year-old technician Zhang Tingzhen (whose father Zhang Guangde acted on his behalf⁵⁸⁸). These three Foxconn employees and their families hired lawyers to pursue individual lawsuits against their employer.

The burden of paying for legal services is explained by a Beijing-based legal practitioner: “There are 962 national-level laws and regulations relating to labor, in addition to countless local laws, regulations, and guidelines,” all riddled with contradictions and inconsistencies among them. He added that a lawyer would need “a considerable amount of time to become clear on all these rules, let alone a migrant worker.”⁵⁸⁹ Against all odds, Foxconn employees are trying to fight for their labor rights in the courts.

What are the major obstacles faced by workers when they seek to use Chinese labor law to redress their grievances? What is the path to arbitration and litigation and what are the outcomes? These labor disputes take place in the context of a legal

⁵⁸⁷ Manager interviewee 1.

⁵⁸⁸ Worker interviewee 2 (brain-damaged injured worker). The father and son, Zhang Guangde and Zhang Tingzhen, are the real names. The Zhang family has mobilized media and labor rights groups to support their claim for work-injury compensation since October 2010.

⁵⁸⁹ Quoted in Aaron Halegua, 2008, “Getting Paid: Processing the Labor Disputes of China’s Migrant Workers,” *Berkeley Journal of International Law* 26(1), pp. 271-72.

http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1133731

system in flux, with soaring numbers of cases filed throughout China since the 1990s. Ching Kwan Lee argues that “the law has become the pivotal terrain of labor politics” as the state seeks to channel labor conflict from protest in the streets to the courts.⁵⁹⁰

“I’m Suing My Boss.”

Chunhua did not return to work after being discharged from the hospital. “There’s been no discussion or consultation over a new job offer of any sort.” As she saw it, “Foxconn has unilaterally and arbitrarily changed my main work responsibility, violating a labor contract that was based on mutual consent. I demand compensation of 70,810 Yuan for reimbursement of medical fees and damage to my health. I’m suing my boss.”

Labor bureaus are required by law to establish labor dispute arbitration committees.⁵⁹¹ Arbitrators do not accept all worker demands, such as those for wage increases above the legal minimum, for adjudication. Labor dispute cases are also rejected when the workers in question cannot provide basic documentation indicating a contract defining an employment relation. But Chunhua succeeded in having her application formally accepted.

“With Lawyer Long’s assistance, I put together my employment contract, staff card, wage slips, social insurance card, medical reports, and then drafted my first legal statement in January 2011. My case was filed and accepted at the labor bureau,” Chunhua explained to me. On 28 March 2011, the Shenzhen Bao’an District arbitration committee took evidence from both parties and began to process the labor dispute case.

Arbitration committees are grassroots-level official organizations that bring together labor and management to resolve labor conflicts. An arbitration committee is often made up of three government officials, one of whom serves as the director. When a case is accepted, arbitrators rarely rule in favor of worker plaintiffs, because this would likely result in an appeal from the employer, who has the resources to continue the legal process.⁵⁹² The professionalism and impartiality of arbitrators have repeatedly been questioned by workers and legal practitioners. A judge

⁵⁹⁰ Ching Kwan Lee, 2010, “Pathways of Labor Activism,” *Chinese Society: Change, Conflict and Resistance*, edited by Elizabeth J. Perry and Mark Selden, London: Routledge, p. 76.

⁵⁹¹ Virginia E. Harper Ho, 2003, *Labor Dispute Resolution in China: Implications for Labor Rights and Legal Reform*, University of California, Berkeley: Institute of East Asian Studies.

⁵⁹² Mary E. Gallagher, 2006, “Mobilizing the Law in China: ‘Informed Disenchantment’ and the Development of Legal Consciousness,” *Law and Society Review* 49(4), p. 801.

observed that labor dispute arbitration committees “have to be concerned with other factors...and are under pressure from enterprises when making decisions.”⁵⁹³

Labor arbitrators, unlike judges, are not required to have received rigorous training in an accredited law school, although higher qualifications and relevant judicial experience is preferred. Based on observations in Beijing, Shanghai and Shenzhen, legal scholar Aaron Halebua concluded: “These labor officials, who are paid a fixed salary regardless of how many cases they process, prefer to work on as few cases as possible, and focus on convincing any worker that comes into the office not to file a complaint.”⁵⁹⁴ Similarly, Virginia Harper Ho found that government staff in Guangzhou labor offices sometimes discouraged worker claims by “providing inaccurate information or by urging them to drop disputes.”⁵⁹⁵ The main objective, apparently, was to defuse labor conflicts and preserve the appearance of social and economic stability.

The Verdict

After three months, on 28 June 2011, Chunhua received the arbitrators’ decision. She had lost. “In my view, the arbitrators didn’t fulfill their responsibility to investigate the staffing arrangements at Foxconn. They determined that the job change was ‘reasonable and lawful’; they’re biased towards management. I’m determined to take Foxconn to court,” Chunhua recalled. When she did so, the judge upheld the arbitrators’ original statement and decided in Foxconn’s favor. The judge announced that “there’s insufficient evidence to establish a causal relationship between health issues and management practice.”

Chunhua reflected, “The new labor law means so little when it comes to regulating business behavior. In retrospect, the day I said ‘no’ to going along with the transfer to Yantai, I was destined to leave without getting a penny. My colleagues, many of them married with school-age children in Shenzhen, have quit without any compensation. Why? Our homes are here. We can’t just leave the place and start everything all over.”

⁵⁹³ Quoted in Feng Chen and Xin Xu, 2012, “‘Active Judiciary’: Judicial Dismantling of Workers’ Collective Action in China,” *The China Journal* 67 (January), p. 97.

⁵⁹⁴ Aaron Halebua, 2008, “Getting Paid: Processing the Labor Disputes of China’s Migrant Workers,” *Berkeley Journal of International Law* 26(1), pp. 264-65.

http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1133731

⁵⁹⁵ Virginia E. Harper Ho, 2009, “From Contracts to Compliance? An Early Look at Implementation under China’s New Labor Legislation,” *Columbia Journal of Asian Law* 23(1), p. 54.

http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1432708

Chunhua pushed for a second trial. Research in 2009-2011 found that disgruntled workers often rejected arbitration decisions and appealed to higher courts when they perceived arbitrators' severance and other legal awards to be significantly below what they believed the labor law guaranteed them.⁵⁹⁶ Within 15 days of an arbitration ruling, workers have a right to apply for a trial of the original dispute. Such appeals have become increasingly common. If either side is dissatisfied with the verdict, it can appeal to a higher court, where a second trial is final.

Throughout the long legal process, at no time did trade union officials attempt to mediate or safeguard Chunhua's rights. "I walked in to the Employee Care Center in early October 2010 to ask the union staffer for help. She sent me back to the very supervisors with whom I had strong disagreements. At that moment, I felt helpless."

On 19 April 2012, Chunhua was notified of the result: Foxconn bore no responsibility for Chunhua's "personal health problems." In this final verdict, the judge ruled that she had no claim for compensation. In theory, however, workers like Chunhua should be compensated. In the event of a worker's contract is terminated or she is unfairly dismissed, employers have severance obligations.

In practice, the law is difficult to enforce. Observers widely recognize such limits of the enforcement of work and employment protections in China as deficiencies in inspection and dispute resolution. Under fiscal and administrative decentralization policies, local states frequently prioritize retaining revenues and accumulating resources rather over rigorous implementation of labor laws and regulations. Intense competition among localities to lure foreign and domestic investment results in lax enforcement of labor laws. As a result of the embedded conflict between legal norms and local accumulation, and in a situation in which trade unions offer scant support for workers, legal rights are at best weakly protected.⁵⁹⁷ At the local level, officials often bend the rules and regulations primarily to serve their own economic and political interests.⁵⁹⁸ Lower courts are subject to the funding and hiring decisions of local governments. Judges lack autonomy and independence to uphold the law,

⁵⁹⁶ Feng Chen and Xin Xu, 2012, "'Active Judiciary': Judicial Dismantling of Workers' Collective Action in China," *The China Journal* 67 (January), p. 96.

⁵⁹⁷ Ching Kwan Lee, 2007, *Against the Law: Labor Protests in China's Rustbelt and Sunbelt*, Berkeley: University of California Press, ch. 1.

⁵⁹⁸ Haiyan Wang, Richard P. Appelbaum, Francesca Degiuli and Nelson Lichtenstein, 2009, "China's New Labor Contract Law: Is China Moving towards Increased Power for Workers?" *Third World Quarterly* 30(3), pp. 485-501; Jenny Chan, 2009, "Meaningful Progress or Illusory Reform? Analyzing China's Labor Contract Law," *New Labor Forum* 18(2), pp. 43-51.

especially in cases where outcomes are contradictory to powerful interests. Despite the fact that the lower courts are increasingly reaching out to other courts of equal rank for guidance in making difficult legal decisions — an impressive development of “horizontal networking” between the courts in fostering legal innovations — extensive external interference from higher courts and party officials persists.⁵⁹⁹ Under these circumstances, workers’ rights often end at the courtroom door.

China’s Labor Disputes

Labor disputes submitted for government-sponsored arbitration spiraled since the mid-1990s with large-scale layoffs of state sector workers as China privatized many small and medium enterprises, breaking the social contract that had provided lifetime employment to state sector workers since the 1950s. Not only urban workers (including those who lost their jobs) but also migrant laborers were emboldened to use newfound legal provisions to defend their rights alongside protests and other direct actions.

The central government’s promotion of the “rule of law” has inspired citizens to make their claims through fast-expanding legal institutions.⁶⁰⁰ From the late 1970s, Deng Xiaoping and his followers have striven to legitimize governance by replacing class struggle approaches with law and related institutions as an arena to mediate conflict through the courts rather than in the streets. Between 1978 and 1995, 49 labor laws and regulations were enacted, including the national Labor Law, which came into force on 1 January 1995.⁶⁰¹ New legal provisions, tested by workers in the labor dispute arbitration committees and courts, and particularly worker victories, however limited, have contributed to raising worker consciousness of labor rights.⁶⁰² Specifically, workers rarely succeeded in overturning layoffs, but mediation and arbitration sometimes secured increased payments or benefits for those laid off.

In 1996, 48,121 labor disputes were accepted for arbitration, the total rising sharply to 120,191 in 1999, involving more than 470,000 aggrieved laborers (including local

⁵⁹⁹ Benjamin L. Liebman, 2007, “China’s Courts: Restricted Reform,” *The China Quarterly* 191, pp. 620-38.

⁶⁰⁰ Neil J. Diamant, Stanley B. Lubman and Kevin J. O’Brien, eds., 2005, *Engaging the Law in China: State, Society, and Possibilities for Justice*, Stanford, California: Stanford University Press.

⁶⁰¹ Isabelle Thireau and Hua Linshan, 2003, “The Moral Universe of Aggrieved Chinese Workers: Workers’ Appeals to Arbitration Committees and Letters and Visits Offices,” *The China Journal* 50 (July), p. 85.

⁶⁰² Mary E. Gallagher and Baohua Dong, 2011, “Legislating Harmony: Labor Law Reform in Contemporary China,” *From Iron Rice Bowl to Informalization: Markets, Workers, and the State in a Changing China*, edited by Sarosh Kuruvilla, Ching Kwan Lee and Mary E. Gallagher, Ithaca, NY: Cornell University Press, pp. 36-60.

and rural migrant workers from firms of various ownership types).⁶⁰³ The upward trend continued through the 2000 decade, reflecting the widespread incidences of rights violations as the private sector expanded. Labor cases further skyrocketed during the 2008-09 economic recession with growing numbers of disputes over wage and insurance payments, illegal layoffs, and inadequate compensation payments. Compared to the 1995 Labor Law, the 2008 Labor Contract Law strengthens the deterrent effect of potential sanctions by specifying fines and penalties for enterprises that do not meet pre-existing requirements on employment agreements, overtime premiums, and social security.⁶⁰⁴ Moreover, effective 1 May 2008, the Labor Dispute Mediation and Arbitration Law made arbitration free of charge for all parties,⁶⁰⁵ and extended the statute of limitations for filing cases from two months to one year, thereby encouraging workers to bring their cases to arbitration. Unpaid workers were the greatest beneficiaries of extending the time limit for filing claims.⁶⁰⁶

Arbitrated labor disputes peaked at 693,465 cases involving more than 1.2 million laborers nationwide in the economic crisis of 2008. Thereafter, newly accepted arbitration cases fell to 600,865 in 2010 and further to 589,244 in 2011, in which 80 percent of the principal disputes were over labor remuneration (unpaid basic wages and/or overtime premiums), social insurance compensation (including pensions, compensation for occupational illnesses and injuries, medical expenses, and/or other welfare benefits), and employment relations (such as termination of labor contracts). Of all arbitrated cases, in 2011, laborers won only 33 percent while compromises were reached in an additional 54.5 percent of cases.⁶⁰⁷ In recent years, governments

⁶⁰³ *China Labor Statistical Yearbook 2012, 2013*, “Labor Disputes Accepted and Settled,” Beijing: China Statistics Press, pp. 352-53.

⁶⁰⁴ Despite actions by the “sweatshop lobby” of transnational business, as represented by the American Chamber of Commerce, the US-China Business Council, and the European Union Chamber of Commerce, the National People’s Congress of China promulgated the Labor Contract Law in June 2007, after three rounds of revisions. See, for example, Sean Cooney, Sarah Biddulph, Li Kungang and Ying Zhu, 2007, “China’s New Labor Contract Law: Responding to the Growing Complexity of Labor Relations in the PRC,” *UNSW Law Journal* 30(3), pp. 788-803; Kinglun Ngok, 2008, “The Changes of Chinese Labor Policy and Labor Legislation in the Context of Market Transition,” *International Labor and Working-Class History* 73 (Spring), pp. 45-64. The Labor Contract Law of the People’s Republic of China (中華人民共和國勞動合同法) was promulgated on 29 June 2007 and took effect on 1 January 2008. Full text in English: http://www.npc.gov.cn/englishnpc/Law/2009-02/20/content_1471106.htm

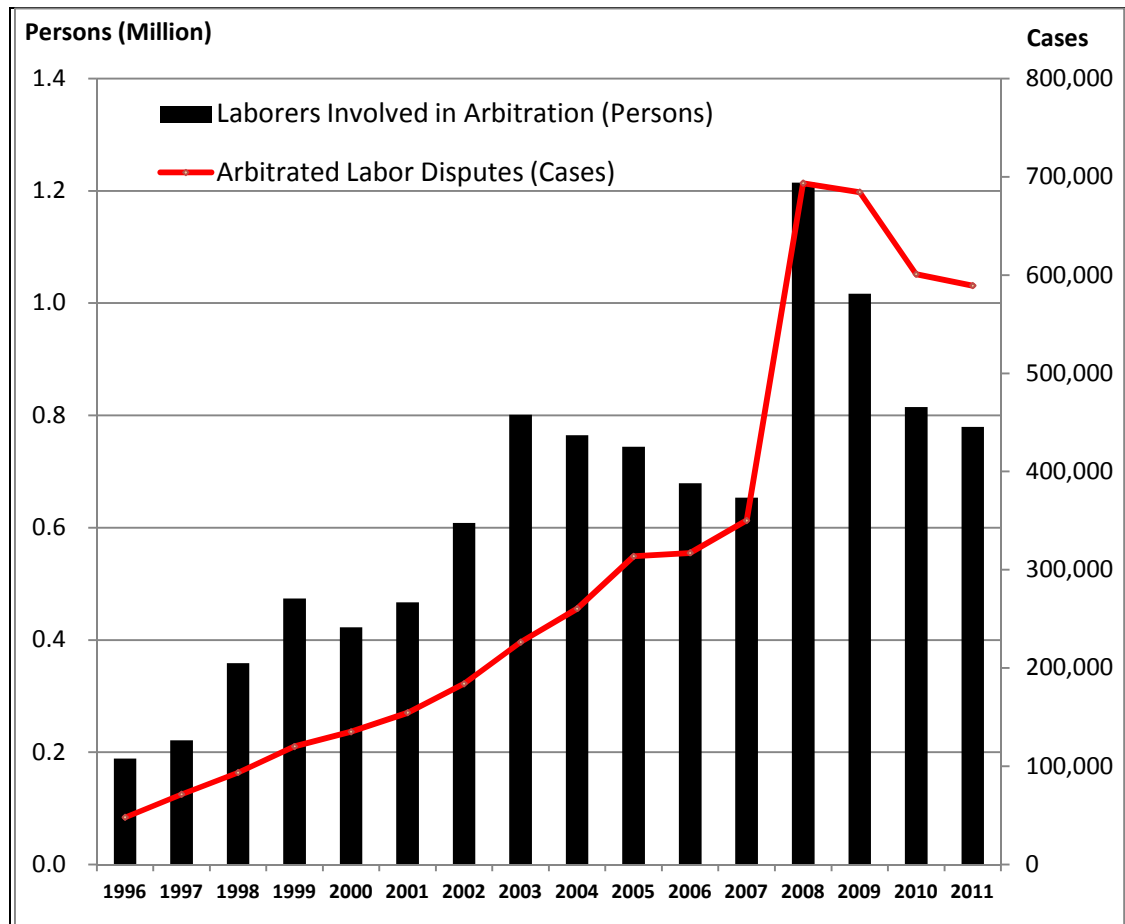
⁶⁰⁵ Labor bureaus had been charging claimants for arbitration. In the mid-2000s, the “application fee” or “processing fee” was at least 300 Yuan in Beijing and Shanghai.

⁶⁰⁶ The Labor Dispute Mediation and Arbitration Law of the People’s Republic of China (中華人民共和國勞動爭議調解仲裁法) was promulgated on 29 December 2007 and came to force on 1 May 2008. Full text in English: http://www.npc.gov.cn/englishnpc/Law/2009-02/20/content_1471614.htm

⁶⁰⁷ *China Labor Statistical Yearbook 2012, 2013*, “Labor Disputes Accepted and Settled,” Beijing: China Statistics Press, pp. 352-53.

at all levels have directed workers to resolve conflicts through workplace-based mediation and other informal means, hence reducing arbitration caseloads⁶⁰⁸ (see Figure 8.1).

Figure 8.1 Arbitrated Labor Disputes in China, 1996-2011



Source: *China Labor Statistical Yearbook 2012* (2013: 352-53).

Many companies have failed to set up effective grievance mechanisms to resolve labor problems, and as a result, conflicts have intensified. Apparently Foxconn has refused to negotiate in good faith with aggrieved workers. Nor was it under pressure to do so from the company union.

“This is Wrongful Dismissal.”

When Foxconn decided to redraw the territory of its manufacturing empire across

⁶⁰⁸ Fu Hualing and Richard Cullen, 2011, “From Mediator to Adjudicator Justice: The Limits of Civil Justice Reform in China,” *Chinese Justice: Civil Dispute Resolution in Contemporary China*, edited by Margaret Y. K. Woo and Mary E. Gallagher, Cambridge: Cambridge University Press, pp. 25-57.

China, its workers were moved like any other commodity. But this process, along with its other working practices, has not gone unchallenged. Xie Mingli, a college graduate in industrial engineering and a manager in the personnel department at Foxconn Longhua, contested “wrongful dismissal” in April 2011. He refused to transfer from Shenzhen to the Chengdu iPad plant in Sichuan. “Upon graduating from a four-year program at a Zhengzhou university in Henan province, I set off to the south in July 2003. In Shenzhen, I reunited with my sister and mother who had previously migrated.” In August 2008, he found work at Foxconn — by moving to a larger firm, he hoped to be able to advance his career prospects.

Mingli was responsible for staff recruitment and additional administrative work. In 2010, when the iPad business group was formally set up, “I supported the senior managers of iDSBG [innovation Digital System Business Group] in drafting recruitment plans at Longhua.” He added that “the numbers of new workers kept increasing despite heightened media concerns over suicides at Foxconn.” Later in December, when the iPad assembly lines fully opened in Chengdu, Sichuan, Mingli traveled to the new plant for “short-term support” as requested. In March 2011, after completing the intensive recruitment campaign at the Chengdu plant, he returned to Shenzhen. “But I was repeatedly pressed to fill out a resignation form unless I agreed to transfer to Chengdu, where experienced human resources managers were in high demand. I strongly disagreed,” Mingli recalled.

On 30 March 2011, Mingli complained to the district labor bureau about the company’s violation of the Labor Contract Law. Then, government officials contacted Foxconn, and the company human resources department head immediately responded by ordering the data security officer to invalidate Mingli’s work identity card. Mingli said, “On 1 April, at 7:40 a.m., I was prohibited from entering Foxconn Longhua. I called the police.” Effective 2 April, Foxconn charged Mingli with being absent from work without permission, and fired him.

In my interview in October 2011, Mingli admitted that his thinking had been changing over the previous year, particularly after moderating an online forum for “Foxconn Friends”⁶⁰⁹ following the 2010 suicide wave in the spring. “We give advice to young workers in distress, the 16- and 17-year olds. We emphasize that the workers have rights, fairness and dignity. This time I need to safeguard my own rights and interests,” Mingli told me with a bitter smile. “Management fabricated my attendance record as a pretext to get rid of me without paying a penny. When

⁶⁰⁹ *Fushikang zhi you* (富士康之友).

Foxconn abandons its employees, it does so without considering us as human beings. I decided to fight back.”

“I Demand Compensation.”

The law stipulates that the amount of severance is calculated on actual wages, including overtime premiums, bonuses and subsidies, and years of tenure. Employers who terminate an employee illegally are required to pay double severance in compensation. Accordingly, Mingli demanded that Foxconn compensate him as follows: first, severance pay for terminating the labor contract, that is, 19,815 Yuan (average salary 6,605 Yuan per month for three years of service); second, a punitive fine equivalent to the severance pay, in this case, 19,815 Yuan; third, payment of the March 2011 salary, bonus, housing subsidies, and transportation allowance (between Shenzhen and Chengdu), which adds up to 28,960 Yuan. Thus the total amount of compensation is 68,590 Yuan. He explained to me, “A major change of job location or work duties should be made with my consent. My demand is not about reinstatement. I’m not interested in continuing to work for such a company. I demand compensation. Foxconn thinks they can do whatever they want. I just have to let Foxconn know they can’t do this.”

On 25 May 2011, the Shenzhen Bao’an District arbitration committee prepared to issue its ruling. “Foxconn has cultivated good relationships with the labor bureau. I am not optimistic about the judgment,” Mingli said. Arbitrators accepted the work-time record provided by Foxconn as authentic. “I lost.” The new law had increased the corporate cost of noncompliance. But in the case of Mingli and many others, the company was able to flout the letter and spirit of the law with impunity.

“No one dares to serve as a witness or risk their job to testify for me,” Mingli told me. After discussing the situation with Lawyer Guan, Mingli decided that “I must count on myself.” On his last day of work, the security guards stopped him from entering the South Main Gate. They took away his staff card by force. “And I took pictures of them with my cell phone.” Mingli showed them to me.

The trial took place on 19 August 2011. Three months past. On 15 November, Mingli received the verdict. “I’m disappointed. While the court awarded me 34,956 Yuan as compensation for damages, it was only about half of what I demanded. This little money doesn’t mean anything to a large corporation like Foxconn.”

“The Unequal Battle”

Both Mingli and Foxconn appealed the verdict to the higher court. “The judge disregarded the arguments in my favor and upheld the verdict,” Mingli told me. In January 2012 Foxconn paid the fine to settle the lawsuit. Unemployed for ten months, Mingli was exhausted by the unequal battle. “I’ve done my best. The outcome, from my view, is negative.”

Questions of legality are contested by adversaries in courts. “But the true question is the lack of labor unity and collective strength. If we had mutual support, we wouldn’t be so easily targeted and arbitrarily eliminated, labeled as rebels and redundant. When we’re forced to file a lawsuit, even if we win, we’re actually losers. We’ve got to rework the imbalance of power at the workplace,” Mingli reflected.

“We’ve no alternative but to take a costly path. The Foxconn trade union is a political ornament used to legitimate management in the eyes of corporate customers and government officials. How can we trust the union chairwoman as a mediator when she is a special assistant to the CEO? Using the law as an instrument is a remedy. But what I’ve been looking for is more proactive...a genuine worker organization that builds workers’ power.” Mingli concluded, “workers’ collective action and capacity building is fundamental to social progress, and should complement the ongoing legal reforms.”

Severely Injured Worker Not Compensated

On Wednesday, 26 October 2011, a tragic work accident shattered a four-person family and sent reverberations through the ranks of Foxconn workers in Shenzhen. At 1:40 p.m. Zhang Tingzhen suffered an electric shock while repairing a spotlight exterior of the E12(A) Building at the Foxconn Longhua complex. Tingzhen fell from the ladder after being shocked by the high-voltage electric current. Falling from four meters, he landed hard on his head. He was provided with neither electricity-proof gloves nor an industrial safety belt. The case illustrates important dimensions of Foxconn’s labor practices and its treatment of workers.

After being admitted to the nearest hospital, Tingzhen underwent emergency brain surgery. Half of his left brain had to be excised because of severe bleeding and trauma. Three weeks passed, and it was not until 16 November, after demands by his parents, that Foxconn transferred Tingzhen to the Shenzhen No. 2 People’s Hospital

for specialized diagnosis. He underwent four additional surgeries in the following five months to save him each time his condition became critical.

Tingzhen is no longer able to communicate. He can utter only sounds. His brain is so severely damaged that his memory has completely been lost. The right side of his body is paralyzed. Once a fine athlete, he now faces a life heavily dependent on his parents and younger sister. He was only 25 years old when the accident took place.



Zhang Tingzhen, 25, survived an electric shock and fall in an industrial injury. Now (left) and in happier times in the recent past. Photo credit: The Zhang family.



As a result of severe brain damage, Zhang Tingzhen cannot recognize his mother. Photo credit: The Zhang family.

Tingzhen, a graduate of a technical college in central China's Henan province, was newly employed as an equipment and facility technician at the Foxconn Longhua factory complex. "His basic wage was 2,500 Yuan per month, starting from 4 August 2011. With the addition of overtime premiums and benefits, his average income during the nearly three months of employment before the accident was over 4,000 Yuan," said Guangde, 50, Tingzhen's father.

Work injuries are ranked on a scale of 1 to 10, level-1 being the most serious. The age of the victim, type of injury, degree of disability, extent of employer negligence, and related workplace factors are the determinants of the amount of compensation that an injured worker will receive.⁶¹⁰ Nevertheless, worker victims did not win all the cases, due to their lack of proof in showing the labor relations or corporate violations of production safety rules.

"What is Tingzhen's future? I'd been looking forward to seeing him married. I dare not think about this anymore...Foxconn doesn't accept its responsibility. If there was adequate personal protective equipment, the accident could have been avoided," his father sighed.



Zhang Guangde embraces his son. In the hospital, Tingzhen is receiving physiotherapy, with unfailing encouragement from his sister, who looks on. Photo credit: The Zhang family.

⁶¹⁰ The 2011 Regulations on Work Injury Insurance of the People's Republic of China (中華人民共和國工傷保險條例) (Articles 35 to 37) specify the insurance standards in accordance with the severity of disability. http://www.gov.cn/zwgk/2010-12/24/content_1772115.htm

In an October 2012 company statement, issued under public pressure one year after the serious accident, Foxconn explained that Tingzhen was “hired in Shenzhen” but “for a position at our Huizhou facility and was an employee of that facility.”⁶¹¹ Foxconn provided an employment contract that it claimed was Tingzhen’s. It shows that Tingzhen’s staff ID number was F6203046, and that he was employed by Jizhun Precision Industry Company in Huizhou, not by Hongfujin Precision Industry (Shenzhen) Company, the registered business entity in Shenzhen, that is, Foxconn Longhua. Both enterprises are directly owned by Foxconn in the Pearl River Delta region of Guangdong province. Huizhou borders the provincial capital of Guangzhou to the west and Dongguan and Shenzhen to the southwest. “My son, from the first day he went to the Longhua Recruitment Center to interview, worked in Shenzhen. How can they [Foxconn Longhua human resources managers] say his employer is in Huizhou?,” Guangde told me angrily.

To defend his son’s rights, Guangde filed a labor arbitration suit against Foxconn Longhua in Shenzhen. On 3 December 2012, Guangde received a five-page arbitration statement. The government arbitrators ruled against the existence of a labor relation between Tingzhen and Foxconn Longhua (Hongfujin Precision Industry Company). The official investigation endorsed Foxconn’s claim, as stated in the labor contract that the company produced, that Tingzhen had been hired by its Huizhou facility (Jizhun Precision Industry Company). While the work-related accident had occurred at the Shenzhen workplace, Foxconn Longhua could not be held responsible for the compensation.

Guangde appealed to the court: “Is the employment contract forged? From the day of employment [on 4 August 2011] to the moment of the industrial accident [on 26 October 2011], Tingzhen had worked at the Shenzhen Longhua plant. Therefore he should be entitled to medical treatment and occupational injury compensation right here in accordance with local standards. What Foxconn has done to my son violates social norms and lacks morality and humanity!” Guangde told the court.

In effect, Foxconn has refused to compensate Tingzhen for his loss of health and work ability according to the Shenzhen standard of compensation. Under China’s work injury insurance regulations, the insurance payouts for treatment and disability support differ from city to city. Repeated attempts to hold Foxconn responsible for

⁶¹¹ Quoted in Ron Dicker, 11 October 2012, “Zhang Tingzhen, Foxconn Employee who Lost Half his Brain, Ordered to Leave Hospital,” *The Huffington Post*.
http://www.huffingtonpost.com/2012/10/11/zhang-tingzhen-foxconn_n_1957851.html

the work accident, which his parents say could have been prevented, have been rebuffed.

Justice Denied

Foxconn's lawyer defended that Tingzhen had worked at the Shenzhen Longhua plant for 84 days, during which time his wages and benefits were paid via a debit bank account by Foxconn Huizhou. Guangde angrily denounced that "Foxconn labor contract trap!"⁶¹² With pent-up anger and helplessness over Foxconn's refusal to accept responsibility and provide appropriate compensation, Tingzhen's father showed the local government arbitration officials a large glass bottle with a bone removed from Tingzhen's crushed skull.

In February 2014, Guangde petitioned the government letters and visits office in Beijing to speed up the resolution to Tingzhen's case. The agonizing experience of the Zhang family reveals how burdensome it is to mount a legal challenge, draining the energy of the family as it seeks to look after Tingzhen. "The company union leaders advised us to 'return' to Huizhou and go through the legal procedure. It's absolutely unreasonable. We want justice," Guangde said.

Foxconn claimed that it would ensure that Tingzhen "receives the highest level of social insurance benefits he is due;" and reiterated that it "takes the health and safety of our employees very seriously."⁶¹³ But two and a half years has lapsed since the severe injury. As of this writing in March 2014, Guangde, together with his wife and daughter, cared for Tingzhen on a 24/7 basis at the hospital in Shenzhen. Disability assessment has not been done; hence there is no agreement on Tingzhen's compensation and corporate responsibility for his long-term medical treatment. The difficulties workers and their families confront in seeking justice through the time consuming and costly route of filing lawsuits are fully displayed in this case.

Concluding Remarks

In the course of protracted lawsuits, Chunhua, Mingli, and Tingzhen's family had come to learn about the fundamental weaknesses of the Foxconn trade union. "Open and direct communication between employees and managers is the most efficient means to identify and resolve work problems and build a harmonious enterprise,"

⁶¹² *Laodong hetong xianjing* (勞動合同陷阱).

⁶¹³ Foxconn Technology Group's 7-page statement dated 31 December 2013, pp. 5 and 7.

stated a 2008 Foxconn company report, issued shortly after the passage of China's Labor Contract Law.⁶¹⁴ Yet, again and again, workplace-based mechanisms ostensibly designed for labor dispute mediation and grievance resolution were manipulated by managers who doubled as trade union staff. Worse yet, enterprise union turns its back on the labor disputants that I have described.

Better law enforcement by the central and local governments “may institutionalize and rationalize the resolution of labor conflict.”⁶¹⁵ Aggrieved workers lodge complaints in the arbitration committees and the civil courts, thereby acknowledge the state's legitimacy.⁶¹⁶ But as more workers become disillusioned by an ineffective dispute resolution system that protects management, social instability and class contradictions deepen. The shared interests between government officials and private entrepreneurs remain deep-rooted. Ching Kwan Lee recognizes that “the law may not be effective in protecting citizens' rights” in the struggle for social and economic rights. She writes, “still, many continue working through and around the law and its related trappings in the state apparatus.”⁶¹⁷ My research shows that workers' growing expectations of economic gains and state protection can lead to greater disillusionment with government and management, and rising anger. In addition to legal challenges in the courts, since the early 1990s, we have witnessed growing numbers of individual and collective labor protests in China. The oscillation between legal and extra-legal avenues has at times fueled activism by some, but others have become depressed and embittered. Outside of state-sanctioned dispute resolution paths, workers have taken direct action to advance their rights and interests, to which I will turn in the next chapter.

⁶¹⁴ Foxconn Technology Group, 2009, “2008 Corporate Social and Environmental Responsibility Annual Report,” p. 16. <http://ser.foxconn.com/ViewAnuReport.do?action=showAnnual>

⁶¹⁵ Ching Kwan Lee, 2007, *Against the Law: Labor Protests in China's Rustbelt and Sunbelt*, Berkeley: University of California Press, p. 242.

⁶¹⁶ Mary Elizabeth Gallagher, 2005, *Contagious Capitalism: Globalization and the Politics of Labor in China*, New Jersey: Princeton University Press, ch. 5.

⁶¹⁷ Ching Kwan Lee, 2007, *Against the Law*, p. 260.

Chapter 9

Worker Protests: Organizing on our Own

The Federation of Trade Unions of Foxconn Technology Group promotes the interests of all of our more than 1 million employees in China and operates according to the relevant laws and regulations that govern such worker groups in their respective regions.

— Foxconn Technology Group⁶¹⁸

Please remember [Foxconn CEO Terry Gou], from now on, to reassess the responsibilities of the company union so that genuine trade unions can play an appropriate role.

— Foxconn worker Yu Zhonghong⁶¹⁹

On 23 September 2012 a siren pierced the night at the 80,000-worker Foxconn Taiyuan plant in northern China. Not only CEO Terry Gou, but also the Shanxi provincial governor Wang Jun and Taiyuan city leaders were awakened from their sleep. By 3 a.m. on 24 September, 5,000 riot police officers, government officials, and medical staff were stationed at the factory.⁶²⁰ Over the next two hours, the police took control over the factory dormitories and workshops of the entire Foxconn complex by detaining the most defiant workers. More than 40 others were beaten, handcuffed, and sent off in half a dozen police cars. In emergency mode, Foxconn announced a special day off for all workers and staff at the Taiyuan facility on 24 September.⁶²¹ On the same day, Apple CEO Tim Cook assured that stores would “continue to receive iPhone 5 shipments regularly and customers can continue to order online and receive an estimated delivery date.”⁶²² Apparently, the continuous flow of product, speedy shipment, and on-time delivery were Apple’s top concerns.

Following the riot, Yu Zhonghong,⁶²³ a 21-year-old high-school graduate who had

⁶¹⁸ Foxconn Technology Group, 31 December 2013, “Union Committees,” Printed version.

⁶¹⁹ *Qing ni jizhu, cong xianzai kaishi, shi gonghui chengwei zhenzheng de gonghui, fahui yingyou de zuoyong* (請你記住，從現在開始，使工會成為真正的工會，發揮應有的作用。).

⁶²⁰ Yan Shuang, 25 September 2012, “Foxconn Shuts Plant after Violence,” *Global Times*.
<http://www.globaltimes.cn/content/735139.shtml>

⁶²¹ David Barboza and Keith Bradsher, 24 September 2012, “Foxconn Plant Closed after Riot, Company Says,” *The New York Times*.
<http://www.nytimes.com/2012/09/25/technology/foxconn-plant-in-china-closed-after-worker-riot.html>

⁶²² Apple, 24 September 2012, “iPhone 5 First Weekend Sales Top Five Million.”
<http://www.apple.com/pr/library/2012/09/24iPhone-5-First-Weekend-Sales-Top-Five-Million.html>

⁶²³ Worker interviewee 20.

worked at the site for two years, wrote an open letter to the company chief executive Terry Gou. The opening paragraph reads:

*A Letter to Foxconn CEO, Terry Gou*⁶²⁴

If you don't want to be loudly awakened at night from deep sleep,
If you don't want to constantly rush about again by airplane,
If you don't want to be investigated again by the Fair Labor Association,
If you don't want your company to be called a sweatshop,
Please treat us with a little humanity.
Please allow us a little human self-esteem.
Don't let your hired ruffians rifle through our bodies and belongings.
Don't let your hired ruffians harass female workers.
Don't let your lackeys treat every worker like the enemy.
Don't arbitrarily berate or, worse, beat workers for the slightest mistake.

Zhonghong's angry letter to Terry Gou continues:

You should understand that working in your factories:
Workers live at the lowest level,
Tolerating the most intense work,
Earning the lowest pay,
Accepting the strictest regulation,
And enduring discrimination everywhere.
Even though you are my boss, and I am a worker:
I have the right to speak to you on an equal footing.

The sense in which “right” is used is not narrowly confined to the realm of legal rights. Chinese workers in supply chain factories, facing pressure from the company, global capital (such as Apple) and the state (particularly provincial and lower-level governments), are demanding to bargain with their employers “on an equal footing.” At the same time as the government seeks to channel discontent through the courts, many labor actions are being staged outside of state-sanctioned paths.

Zhonghong called on senior management and the company union to act responsibly toward the workers. The open letter ends with three reminders:

⁶²⁴ *Zhi Gou Taiming de Yifengxin* (致郭台銘的一封信), 24 September 2012.

1. Please remember, from now on, to treat your subordinates as humans, and require that they treat their subordinates, and their subordinates, and their subordinates, as humans.
2. Please remember, from now on, those of you who are riding a rocket of fast promotions and earning wages as high as heaven compared to those on earth, to change your attitude that Taiwanese are superior.
3. Please remember, from now on, to reassess the responsibilities of the company union so that genuine trade unions can play an appropriate role.

In this chapter, I show that workers' direct actions take multiple forms including riots, protests, mass suicide threats, slowdowns, and strikes. How did workers develop organizing tactics and collective bargaining methods, and what have been the outcomes? What are the reactions from Foxconn, brands (such as Apple), and the Chinese state to labor unrest?

Worker Riots

At the Foxconn Taiyuan factory, labor discontents grew in a series of open conflicts from the beginning of 2012. A strike took place in March 2012 and six months later, factory-wide riots erupted on 23-24 September, prompting Zhonghong to send the above letter.

One of Zhonghong's co-workers recalled, "After the Spring Festival holidays, assembly-line workers received a wage increase of only tens of Yuan to a maximum of one hundred per month, while our managers enjoyed increases of several hundred Yuan and many more benefits. We're very angry about unfair wage policies."⁶²⁵ On payday (13 March), some 1,000 Consumer and Computer Products Business Group (CCPBG) workers from Building A9 downed their tools to demand higher pay. "We marched to the main factory gate chanting, *Bagong! Bagong!* [Strike! Strike!]. We blocked Wucheng Road for half an hour, disrupting traffic, and prompting the police and government officials from both the Xiaodian District and Taiyuan City to intervene. A human resources manager with an amplifier tried to speak to the crowd only to be repeatedly shouted down."

Striking workers sought to draw public attention to their demands. In staging their

⁶²⁵ Worker interviewee 19.

collective actions in the street, they alarmed the stability-obsessed local authorities. The police force, supporting management, quickly broke up a 50-person picket line and pressured all the remaining workers to return to the factory and go back to work. This display of state force revealed clearly another dimension of the hand-in-glove relationship between the corporation and local government.

Foxconn then launched a huge recruitment campaign to gear up its iPhone components production at the Taiyuan plant. The brief strike did not win workers a wage raise. Grievances over wages and benefits, speedups, and humiliating treatment of workers remained unaddressed. Communication between workers and management, particularly top Taiwanese as well as Chinese leaders, was blocked.

On the shop floor, the change in production requirements from iPhone 4S to iPhone 5 and the increase in hourly output targets placed workers under still more intense stress. In September, with record iPhone 5 pre-orders, shipping delays became a source of concern for Apple and Foxconn. But the tightly integrated global production regime also provided workers with an opportunity to demonstrate their collective strength.

At about 11 p.m. on 23 September, “a number of security officers severely beat two workers for failing to show their staff IDs. They kicked them until they fell to the ground,” eyewitness Luo Dingguo⁶²⁶ said. A “bloody fight” between several security officers and workers at the male dormitory, and the screams of the victims, alerted many others in the darkness. Dingguo added, “We cursed the security officers and demanded that they stop. There were more than thirty of us so they ran away!”

But not for long. A squad of 50 security officers marched to the dormitory, infuriating the assembled workers. At midnight, tens of thousands of workers smashed security offices, production facilities, shuttle buses, motorbikes, cars, shops and canteens in the dormitory and factory complex. Some grabbed iPhones from a warehouse, where Zhonghong and his co-workers were on duty during the night shift. Many others broke windows, demolished company fences, and pillaged factory supermarkets and convenience stores. Workers also overturned police cars and set them ablaze. The security chief used a patrol car public address system to order the workers to end their “illegal activities.” The situation was getting out of control as more and more workers joined the roaring crowd.

⁶²⁶ Worker interviewee 21.

Zhonghong explained, “The violence was caused by pent-up frustration over our poor treatment. The beatings by the security guards simply provided the spark. You see, over these past two months we couldn’t even get paid leave when we were sick.”⁶²⁷ The ever-tightening, shorter iPhone production cycle pressured workers and frontline managerial staff, so that workers could not even take one day off in a week, and the sick were compelled to continue to work.



Workers used their cell phones to send images to media outlets in real time. A Foxconn Taiyuan security room destroyed and a Foxconn bus front window smashed in the September 2012 unrest. Photo credit: Yu Zhonghong.



Some 5,000 armed police officers were dispatched to the Foxconn Taiyuan plant to “restore order” at 3 a.m. on 24 September 2012. Photo credit: Yu Zhonghong.

⁶²⁷ Worker interviewee 20.

Justifying the use of paramilitary force, Foxconn blamed the workers, alleging that they were fighting among themselves. The company statement reads: “A personal dispute between several employees escalated into an incident involving some 2,000 workers. The cause of this dispute is under investigation by local authorities...but it appears not to have been work-related.”⁶²⁸ Foxconn’s characterization of the problem as “a personal dispute between several employees” rubbed salt into the workers’ wounds. Dingguo said, “Foxconn didn’t admit the daily bullying of workers by its security force but shifted all the responsibility to us. Line leaders coerce us to meet the extremely tight deadlines.”⁶²⁹ Foxconn’s investigation of the incident as the result of a “personal dispute” meant they could ignore shop floor conditions.

Dingguo observed that management has “good salaries, big families, and nice living conditions. When managers take journalists to tour the plant, they show them a clean and tidy female dorm room with six people. They should instead come to our twelve-person dorm to smell our room and talk to us!” Workers are quick to see through the hypocrisy of company leaders.

At the same time, with Apple pressuring Foxconn to fulfill targets, the potential for workers to display their power appeared great. Workers interrupted the continuous production flow by up to a day in an effort to force their employer and government officials, including the local trade union, to enter negotiations. Nevertheless they were unsuccessful.

Labor Strikes

Foxconn Taiyuan manufactures iPhone casings and sends them to a larger Zhengzhou complex in adjacent Henan province for final assembly. Less than two weeks later, in October 2012, over 3,000 Foxconn Zhengzhou workers from one production department protested against their managers’ unreasonable approach to quality control.

From late September to early October, consumers in the United States and elsewhere complained about scratches on the casing of a particular batch of the new iPhone 5, leading to product quality control investigations of final assembly at the Zhengzhou

⁶²⁸ Quoted in Cain Nunns, 26 September 2012, “Apple Profits Unharmful by Foxconn Factory Riots,” *GlobalPost*. <http://www.alaskadispatch.com/article/apple-profits-unharmful-foxconn-factory-riots>

⁶²⁹ Worker interviewee 21.

plant.⁶³⁰ New quality standards contributed to workers' eye strain and headaches. Li Meixia,⁶³¹ 19, recalled, "We had no time off during the National Day celebrations and now we're forced to fix the defective products. The new precision requirement for the screens of the iPhone 5 measured in two-hundredths of a millimeter cannot be detected by human eyes. We use microscopes to check product appearance. It's impossibly strict." On 5 October, the Friday afternoon, when production managers yelled at the workers and threatened to fire them if they did not "cooperate and concentrate at work," Meixia and her co-workers walked out of the workshop to protest against abuses. Several workers were penalized for not meeting the 0.02 mm new standards and quarrels erupted between workers and quality control team leaders, resulting in group fighting and some injuries.

In the case-manufacturing process, workers were also instructed to use protective cases to prevent scratches of the ultra-thin iPhone 5, and close attention to the most minute detail at a highly-pressured and fast working pace was and remains a major source of work stress. The strike at Meixia's workshop paralyzed dozens of production lines in Zones K and L. Senior managers demanded that night-shift workers adhere to stringent quality standards. The brief strike was not successful in winning workers' the reasonable rest periods they wanted.

The increasing number of Chinese workers incorporated in transnational production is coinciding with a surge in worker unrest throughout the country. Foxconn workers at the Taiyuan and Zhengzhou factories did not join together in coordinated actions, despite playing closely related parts in the final stages of the iPhone supply chain. Confronting the unified power of the company, the management-controlled union and the local government, labor actions have been short-lived and confined to a single workplace.

Slowdown on the Line

On the factory floor, line leaders had been wearing light-blue vests with bold Chinese characters proclaiming their "loving heart"⁶³² — testifying to a managerial culture of "love and care" in the aftermath of the suicides. But Foxconn's competitive advantage in electronics was built on the intensification of labor, quality

⁶³⁰ Andrew Grush, 24 September 2012, "iPhone 5's Killer New Feature: Scuffs, Scratches and Dents," *Mobile Magazine*.

<http://www.mobilemag.com/2012/09/24/iphone-5s-killer-new-feature-scuffs-scratches-and-dents/>

⁶³¹ Worker interviewee 25.

⁶³² *Ai xin* (愛心).

control and, often, 12-hour shifts which belie the talk of loving hearts. In October 2011, the Technology Merging Services Business Group (TMSBG) of the Foxconn Longhua plant in Shenzhen reported a slowdown in Amazon Kindle assembly.

Facing the speedups that regularly accompany the unveiling of new models, on 20 October, a group of 60 night-shift workers decided to go slow. “The A1 Line was composed of 41 male and 19 female workers,” Cao Yi,⁶³³ a young Hunanese said. His five closest friends from Hunan, Chongqing and Guizhou worked on the same line. Yi complained vociferously, “We’ve been pushed like mad dogs to meet impossible production targets.”

Yi had been working at Foxconn for two months. “Our hands and our minds never rest. There was no way we could ever work fast enough to meet the production quota, so we decided to ease off!” His fellow workmates supported the decision. “This week, the output quota has been adjusted upward for the second time, from 1,800 to 2,100 units; it’s really too much,” Yi’s friend echoed.⁶³⁴

The A1 Line workers took action after the midnight meal break. Yi was responsible for product quality assurance in the middle of the line. There were two other quality checkers, one each at the first quarter and third quarter positions on the line. “I instructed the first process-checker and the workers at the front of the line to set a slow pace, so that workers on the whole line could comfortably handle the work,” Yi explained to me. Some 20 workers listened to Yi attentively in the factory canteen and nodded their heads. In the following four hours after work resumed, the e-book readers flowed slowly along the conveyor belt. Every worker on the line was either actively or passively participating in the industrial action.

At the early breakfast hour, Yi and three leading workers celebrated their small victory. However, the coordinated slow down by several dozen workers immediately drew supervisory attention and tighter surveillance. Workers were ordered to meet the strict production quota the following nights. In response, Yi decided to “creatively make defective products.”

In the male dormitory, Yi and his co-workers spread word about the proposed action, involving as many workers as possible so that no individual could be identified or singled out for punishment. In many open labor confrontations, either employer or

⁶³³ Worker interviewee 16.

⁶³⁴ Worker interviewee 18.

government officials in question require workers to elect their representatives, generally limited to five, to engage in negotiations and talks,⁶³⁵ but these leaders can then be dismissed. Mutual protection and trust among “underground activists” were thus very important to the success of a collective action.

Yi and his co-workers texted the “call for action”⁶³⁶ message through their cell phones. They also held small group discussions in dormitory rooms. That Thursday night, on 27 October 2011, many workers on the A1 Line intentionally left out a screw on the Amazon Kindle casing. Others did not affix the bar code in the right place. The petty sabotage was soon discovered. As product quality was the highest priority, the line leader had to check each and every work procedure. The speed of the line eventually slowed down when the assistant line leaders realized the seriousness of the workers’ resistance. Workers had joined together to score another small victory.

Yi and others challenged their subordinate position, so patently at odds with the managerial discourse of love, care and employee support. The shop floor had become a battlefield.

Management had other weapons. In early November 2011, the A1 Line was thoroughly reorganized, and Yi and his workmates were dispersed among the F4 and F5 factory complexes. The length of the work day, intensity of labor, pace of work and social organization of the labor process have been crucial arenas of contestation between the workers and their managers from the remote past to the present, and the struggles go on. Foxconn eventually crushed this protest, yet the workplace-based development of communication among workers and the experience of collective mobilization suggest possibilities for future labor actions. It also made clear the limits of actions in which worker organization was forced to remain covert and informal (and in which the formal union staunchly supported management).

⁶³⁵ With the small number of worker representatives elected, things are put under control, and this strategic intervention marks the formal beginning of “fragmentation and co-optation” of worker power. See Ching Kwan Lee and Yonghong Zhang, 2013, “The Power of Instability: Unraveling the Microfoundations of Bargained Authoritarianism in China,” *American Journal of Sociology* 118(6), pp. 1475-1508.

⁶³⁶ *Xingdong huyu* (行動呼籲).

Group Fighting and Work Stoppage

In high-speed production, arguments between workers and quality controllers, and quarrels between managers and workers, all give rise to seething anger. Sometimes this has led to group fighting. As company conflict resolution channels are ineffective, workers have felt compelled to express grievances through violence, including violence directed against management and against the dormitories whose facilities are failing them.



Foxconn Chengdu factory's 18-story male dormitory, Block 2. Most of the workers found their living conditions intolerable. Noisy, dirty, smelly and above all, lacking water and electricity, the dormitories were the subject of frequent complaints. Photo credit: Jenny Chan.

When Foxconn opened its operation in Sichuan province in the fall of 2010, the local government provided the company with new blocks of high-rise dormitory buildings with basic amenities, among many other incentives to locate its factories in their area. This is but one example of collaboration between entrepreneurial local governments and businesses. Each dormitory of Foxconn Chengdu's plant has 18 floors, with 24 rooms per floor and eight workers per room. Employers contract with private property management firms to run the dormitories, who then directly sign rental leases with the concerned workers.

The first-phase Xinan male worker dormitory, located two kilometers from the manufacturing complex, houses 20,000 people. On the night of 6 January 2011, one of the two elevators in the 18-story block was out of order. Thousands of workers, after an exhausting work shift, had to climb the stairs to their rooms only to find that there was no hot water for showers. That month, the average temperature was between 1°C and 5°C, and electricity and water supplies repeatedly failed. Several workers angrily ran to the dormitory roof, destroyed the water tank, switched off the power, and cut off the entire water supply system. Workers were shouting, yelling and rushing out of their rooms to find out what was going on. They threw glass bottles, plastic basins, trash bins, stools and fire extinguishers from the upper floors to the ground below. By 10 p.m., the police had arrested more than two dozen workers and a lockdown halted the protests. The company branded the workers' behavior "senseless."⁶³⁷

In addition to the poor living environment, workers protested against their very low wages: the basic monthly pay was just 950 Yuan, falling short of the 1,600 Yuan they had been promised.⁶³⁸ Foxconn justified the difference by arguing the higher figure was their "comprehensive income,"⁶³⁹ that is, the basic wage plus overtime premiums and bonuses.

Foxconn workers earned just a little for assembling iPads. By contrast, Apple made a big fortune by selling iPads globally. Not long after the original iPad was introduced in April 2010, Apple reinvented the iPad to boost sales. A company press statement dated 2 March 2011 reads, "While others have been scrambling to copy the first generation iPad, we're launching iPad 2, which moves the bar far ahead of the

⁶³⁷ Manager interviewee 4.

⁶³⁸ Worker interviewees 31, 36 and 40.

⁶³⁹ *Zonghe gongzi* (綜合工資).

competition and will likely cause them to go back to the drawing boards yet again.”⁶⁴⁰

Eventually on 2 March 2011 — when Apple launched iPad 2 in the American markets — an open dispute over wages broke out at the Foxconn factory. More than 200 workers argued with their supervisors over job evaluations and wage adjustments that were supposed to take place after the six-month probationary period. A 17-year-old worker told me, “We were hired in September 2010 and then were sent right away to the Shenzhen iPad assembly lines for three months. Later, when the new workshops were open, we came back. We’ve been working for another three months now at the Chengdu plant. But management claimed that we had not passed the probationary requirements. Why? They owed us an explanation. We’re very angry!”⁶⁴¹

Refusing to work after lunch, the workers occupied the B22 factory canteen and demanded to negotiate with senior managers. When their demand for a 20 percent pay rise was turned down, at 3:30 p.m., they marched out of the canteen to gather at the main entrance of the plant at Zone C. Their goal was to draw public and government attention to their grievances in order to increase pressure on management.⁶⁴²

Traffic police and company security officers quickly arrived on the scene. Only then did the company manager invite the workers’ representatives to sit down and talk, indicating the success of the strategy. Mr. Chen, the corporate human resources manager who mediated the dispute, later recalled that the protesting workers responded that they had no representatives, “we’re all leaders.”⁶⁴³ Concerned about retaliation, such as blacklisting or firing, the workers tried to protect each other in a collectivity with no visible leaders.⁶⁴⁴ Without representation and support from the official union, workers improvised their organizing and negotiation methods.

The Foxconn Chengdu plant was — and still is — the crucial supplier of iPads for

⁶⁴⁰ Apple, 2 March 2011, “Apple Launches iPad 2.”

<https://www.apple.com/pr/library/2011/03/02Apple-Launches-iPad-2.html>

⁶⁴¹ Worker interviewee 31.

⁶⁴² Worker interviewee 41.

⁶⁴³ Manager interviewee 2.

⁶⁴⁴ In the face of managerial retaliation and/or state repression, workers’ collective actions were thus rendered “leaderless,” even when there were in fact labor leaders behind the scene. See also, Pun Ngai, Chris King-Chi Chan and Jenny Chan, 2010, “The Role of the State, Labour Policy and Migrant Workers’ Struggles in Globalized China,” *Global Labour Journal* 1(1), pp. 132-51.

<http://digitalcommons.mcmaster.ca/globallabour/vol1/iss1/8/>

the world. The iPad strikers timed their wage bargaining action to the strategic moment when Apple announced the debut of iPad 2 on 2 March 2011. They were becoming more aware of the need to work together to demand higher pay, better conditions, and stronger labor rights protection. At the same time, the company moved to hire more student interns to fill the assembly lines and to “divide the labor force,” while the managing director made a concession to worker demands, agreeing to “increase some wages” to quell the small dispute occurring at a time when management faced intense pressure from Apple.⁶⁴⁵

Mass Suicide Threats

In recent years Foxconn has accelerated mass transfers of workers from coastal cities to interior regions to offset rising labor costs. At the Wuhan plant in central China’s Hubei province, workers protested against unfair staffing policies and the resultant wage cuts in early 2012. Since its arrival in the region in 2007, Foxconn has grown to be the largest employer in the Wuhan East Lake Hi-Tech Development Zone. On 3 January 2012, 150 workers from the AP5 workshop threatened to jump from the factory building if managers refused to solve the wage disputes following their compulsory transfer from Shenzhen to Wuhan. The return of the specter of suicides quickly drew government and media attention. Standing on the roof, workers posted their news in real time on the Internet via cell phones, thus attracting attention from Microsoft. The one-day walkout caused the shutdown of an Xbox 360 game-console workshop.⁶⁴⁶

As of January 2012, Foxconn paid its workers at the Wuhan factory a basic wage of 1,350 Yuan per month, which was 200 Yuan lower than the wage in Shenzhen. The newly transferred workers from the two Foxconn Shenzhen facilities were also furious about the rough treatment they received from Foxconn Wuhan managers, who told them they would be fired if they did not return to their post immediately.⁶⁴⁷

The standoff continued into the night. Local government officials remained highly alert to outbreaks of large protests, which they viewed as a destabilizing force that could undermine economic goals and provoke the disapproval of higher authorities. Under mounting public pressure, at 9 p.m., Tang Liangzhi, the mayor of Wuhan city,

⁶⁴⁵ Manager interviewee 2.

⁶⁴⁶ *WantChina Times*, 13 January 2012, “Wuhan Foxconn Protest Resolved Promptly: Microsoft.” <http://www.wantchinatimes.com/news-subclass-cnt.aspx?id=20120113000026&cid=1102>

⁶⁴⁷ Worker interviewees 27 and 28.

finally talked the protesting workers into coming down,⁶⁴⁸ after demanding that management compensate the affected workers in accordance with the law.

Workers could “choose” to continue working at the Wuhan plant, or leave and receive severance pay. As of the morning of 4 January, 45 workers had quit. The Hi-Tech Development Zone trade union federation, which had initially failed to work with the Foxconn union branch to protect the workers, subsequently failed to help the remaining 100-plus strikers bargain for new work assignments. In their new jobs workers received 13 percent less than their former posts at the Shenzhen plant.



Threatening to jump from the factory’s rooftop while negotiating for a fair wage. Foxconn Wuhan workers — highly sensitive about media’s preoccupation with Foxconn and global brands — used their cell phones to send out photos and called for help in January 2012. Photo credit: An anonymous Foxconn worker.

Three months after the January 2012 mass suicide threat, workers used the same headline-grabbing means in another effort to seek a pay raise. When they were transferred from Shenzhen to Wuhan, not only were their basic wages cut, but they soon discovered that the move resulted in a substantial loss of welfare benefits. Su Hualing,⁶⁴⁹ a 19-year-old Hubei native, explained her anger: “My health insurance plan cannot be transferred from Shenzhen to Wuhan. Are my employer’s contributions to the Shenzhen social security scheme over the past two years all gone?”

⁶⁴⁸ Worker interviewees 29 and 33.

⁶⁴⁹ Worker interviewee 27.

I am told that I can only claim my own premiums, but not those of the employer. It's because the Shenzhen government department keeps the ten percent monthly contributions made by Foxconn [based on Hualing's basic pay]." This despite the fact that she remains a Foxconn employee. The inability of rural migrant workers to carry their benefits to new localities when they change jobs, leave the labor market (due to child-birth and child-rearing) or retire, due to the lack of coordination between government administrative institutions, has been a chronic problem in China.⁶⁵⁰

Foxconn did not compensate its workers for their loss of health insurance. Instead, it stated that the Shenzhen government had not permitted the company to carry forward the insurance premiums for its transferred employees, thus pinning blame for the problem on the local government. Similarly, the Foxconn trade union did not act on workers' behalf in this situation. The institutional subordination of the grassroots union to enterprise management and local government is a major obstacle to the protection of worker interests in grievance resolution.⁶⁵¹ Within the subservient structure, workplace union branches almost invariably take a pro-management stance in mediation and pre-empt workers' organizing efforts.

As a result, Hualing and her co-workers had no choice but withdraw their own individual payments from the insurance account from the Shenzhen Human Resources and Social Security Bureau. They were unable, however, to recoup those that Foxconn made in their names. "I'm very upset," Hualing said. She had discovered one of the most vexing problems confronting workers for whom medical insurance and other social benefits including pensions are not portable. At present, government social security reforms are piecemeal and limited in scope. Hualing voiced legitimate concerns about basic health care needs and the responsibility of the company, which had transferred her to its new low wage plant, to compensate her for the losses. Besides lower wages and benefits, Hualing added, "working conditions are awful."

Although the subordination of labor at Foxconn is the product of the intertwined interests of government, company and union, discontent in the form of protest has

⁶⁵⁰ See, for example, Mark W. Frazier, 2011, "Social Policy and Public Opinion in an Age of Insecurity," *From Iron Rice Bowl to Informalization: Markets, Workers, and the State in a Changing China*, edited by Sarosh Kuruvilla, Ching Kwan Lee and Mary E. Gallagher, Ithaca, NY: Cornell University Press, pp. 61-79.

⁶⁵¹ Feng Chen, 2009, "Union Power in China: Source, Operation, and Constraints," *Modern China* 35(6), pp. 662-89; Feng Chen, 2007, "Individual Rights and Collective Rights: Labor's Predicament in China," *Communist and Post-Communist Studies* 40, pp. 59-79.

thus far been directed exclusively at the employer. Hualing and her co-workers told me that their “total income was drastically reduced following their move to the Wuhan plant in January 2012.”⁶⁵² At the Personal Computing Electronics Business Group (PCEBG), managers cancelled workers’ weekend overtime pay, replacing it with compensatory time off. Under this policy designed to cut overtime payments, during February and March 2012, many workers only made basic wages, despite putting in “tens of hours of overtime work on the weekends.”⁶⁵³ The reason is that workers were not paid double wages for overtime work on Saturdays and Sundays; instead, the company cooked the books by offering “free time” in lieu of the overtime wages in the weeks following peak intensity periods.

On the morning of 25 April 2012, when workers received their wage statements for the month, anger boiled over at this injustice. Nearly 200 mold-stamping workers of the DT2 workshop took the lead in walking off the factory floor. On the roof of the three-storey building, they chanted, “*Wo yao jiaxin!*” (I want a raise!); and, “*Li Wenzhong, gundan!*” (Down with Li Wenzhong [the business group leader]!).⁶⁵⁴ After a standoff of more than 10 hours, city government officials were forced to step in to promise increased wages. The ticking bomb of a prolonged walkout or mass suicides was removed. While the protesting workers did not succeed in having the business group chief removed from his position, they won hard-earned weekend overtime wages. This modest worker victory, derived from their collective power at the point of production, may embolden them to fight for more rights in the future.

Foxconn spokesman Simon Tsing did not comment on the wage and benefit cuts, merely telling *Reuters* that “the dispute” has been settled after “negotiations involving the human resources and legal departments as well as the local government.” He also emphasized that “no one had actually jumped off any building.”⁶⁵⁵

It is noteworthy that the aggrieved workers at the assembly workshop did not face obstruction from their line and team leaders during the protest. Wang Shuping,⁶⁵⁶ a 23-year-old line leader, explained, “We were concerned about the big problem as our own interests had been similarly hurt by the forced transfer and subsequent wage and benefit cuts.”

⁶⁵² Worker interviewees 27 and 28.

⁶⁵³ Worker interviewee 28.

⁶⁵⁴ Worker interviewees 27 and 29.

⁶⁵⁵ Quoted in *Reuters*, 27 April 2012, “Workers Protest at Foxconn Plant in China.”

<http://www.reuters.com/article/2012/04/27/us-china-foxconn-idUSBRE83Q0JV20120427>

⁶⁵⁶ Worker interviewee 33.

Indeed, this was a rare instance in which frontline workers and line and team leaders found their interests aligned. When overtime hours were cut, the wages of employees and line and team leaders were also cut. Several line leaders encouraged the new workers to join the industrial action without fear of retaliation from them. Following the protests, Foxconn senior managers have always demanded that frontline leaders not support disruptive actions. The pledge states:

As a manager of the company, regardless of the reason, I will not insinuate, instigate or incite employees to use improper means to express their demands. Under no circumstance will I participate in an illegal assembly, march, demonstration, organization or activity. Should I discover employees' participating in an illegal assembly, march, demonstration, organization or activity, I will persuade them to stop and report it immediately.⁶⁵⁷

Employees, from assembly-line workers to low-level management personnel, had vented their anger in joint struggles. Foxconn senior managers subsequently adopted stricter measures to deter workers and staff from uniting to protect worker interests or press for changes. Line leaders were prohibited from releasing any “unauthorized information” about the company that might harm its reputation.

Labor Unrest and Enterprise Union Reforms

As disputes over working and living conditions have triggered collective actions, local government officials including the trade union cadres have intervened in highly publicized labor conflicts. This is merely a reactive approach. What are the prospects for workers to really exercise their trade union rights? How to establish an effective mechanism for resolving disputes through collective bargaining at the enterprise level?

Workers are accumulating organizing skills and demanding with greater persistence their rights to decent wages, safe working conditions, and responsive union representation. Some, including rural migrants, have acquired experience in union elections at the enterprise level, such as those in Reebok supplier factories in the

⁶⁵⁷ The Foxconn management directive is reprinted online at the *Boxun* net on 16 May 2012, entitled “*Wuhan yuanqu guanli renyuan guanli zeren chengnuo shu*” (Agreement to Wuhan Factory Management Responsibilities by Staff) 武漢園區管理人員管理責任承諾書. <http://boxun.com/news/gb/china/2012/05/201205162012.shtml>

early 2000s⁶⁵⁸ and Walmart retail stores in 2006.⁶⁵⁹ In fact, free nomination of candidates and direct union elections are not new. As early as 1988, the All-China Federation of Trade Unions (ACFTU), based on direct elections in the Shekou export processing zone in Shenzhen and elsewhere, proposed that “trade union leaders at all levels should be democratically elected” in an orderly manner.⁶⁶⁰ The initiative, however, was shelved following the crackdown on the 1989 Tiananmen Movement.

From the mid-1990s, against the background of radical restructuring resulting in the loss of union members in the state sector, enterprise union reforms sped up. Some open-minded union leaders have supported greater worker participation in union activity. Responding to worker actions, they seek to create unions more responsive to worker grievances in an era of rampant social inequality and rising protest.⁶⁶¹ In August 2010, Kong Xianghong, vice-chair of the Guangdong Federation of Trade Unions, presided over the direct election of shop-floor union representatives at the Honda (Nanhai) auto factory and subsequent collective wage bargaining in 2011.⁶⁶² However, many workers were disappointed at the fact that the discredited factory union chair was permitted to retain his post as head of a partially reformed union and the two “elected” vice-chairs were top-level managers, reflecting continued managerial control. Moreover, while the company was forced to yield on the important wage issue, it was able to ignore all other worker demands including those for women’s rights and improved welfare benefits (paid maternity leave and a one-hour meal break among them). As a result, the union committee quickly lost the confidence of rank-and-file workers.⁶⁶³ Nevertheless, the Honda strike was widely recognized as among the most important worker victories, a product in part due to the fact that the company was Japanese owned and the Guangdong Federation of Trade Unions has been among the most responsive to worker demands.

⁶⁵⁸ Anita Chan, 2009, “Challenges and Possibilities for Democratic Grassroots Union Elections in China: A Case Study of Two Factory-Level Elections and Their Aftermath,” *Labour Studies Journal* 34(3), pp. 293-317.

⁶⁵⁹ Anita Chan, ed., 2011, *Walmart in China*, Ithaca, New York: Cornell University Press.

⁶⁶⁰ Jude A. Howell, 2008, “All-China Federation of Trade Unions beyond Reform? The Slow March of Direct Elections,” *The China Quarterly* 196 (December), p. 854.

⁶⁶¹ Tim Pringle, 2013, “Reflections on Labor in China: From a Moment to a Movement,” *The South Atlantic Quarterly* 112(1), pp. 191-202.

⁶⁶² Florian Butollo and Tobias ten Brink, 2012, “Challenging the Atomization of Discontent: Patterns of Migrant-Worker Protest in China during the Series of Strikes in 2010,” *Critical Asian Studies* 44(3), pp. 419-40; Wang Jianhua and Shi Wenbo, 2014, “*Zhengduo de Didai*” (Contested Terrain) 爭奪的地帶, *Youth Studies* 《青年研究》 No. 1, pp. 53-61.

<http://www.sociology2010.cass.cn/upload/2014/04/d20140416181907186.pdf>

⁶⁶³ Rena Lau, 2012, “Restructuring of the Honda Auto Parts Union in Guangdong, China: A 2-Year Assessment of the 2010 Strike,” Translated by Eva To, *WorkingUSA: The Journal of Labor & Society* 15, pp. 497-515.

Union building with the active involvement of workers is a long and painstaking process, all the more so in an era in which the union movement is in retreat before the neo-liberal wave in many countries including those of Western Europe and North America. Tim Pringle, in assessing the future of Chinese union reforms, stresses the need not only for “more accountable enterprise-level union chairpersons and committees” but “more supportive, interactive and, at times, directive relationships between the higher trade unions and their enterprise-level subordinates.”⁶⁶⁴ In 2012, Wang Tongxin, vice-chair of the Shenzhen Federation of Trade Unions, called for “power for the workers”⁶⁶⁵ and supported the municipal government plan to facilitate direct union elections at 163 enterprises (each with more than 1,000 workers) whose union committees were up for re-election during the year and shortly after. This suggests that a directly elected union leadership may be emerging within a “party state-led” model of dispute mediation and unionization in Guangdong’s workplaces.⁶⁶⁶ The context is one of growing workers’ coordination such that, as Mary Gallagher suggests, “the state has struggled to maintain its labor system through more direct management of labor disputes.”⁶⁶⁷

The special circumstances surrounding the Honda case suggest that it cannot be widely generalized, even at other large foreign-owned enterprises. The Guangdong union federation officials have not targeted union reorganization at Foxconn. Direct state management from above has inevitably met with resistance by strong capital, in this case, the country’s largest company union with a membership of over 500,000 employees in Shenzhen alone, or a total of 1.4 million employees throughout the country.⁶⁶⁸ As of spring 2014, union reorganization through workers’ democratic participation at Foxconn, according to an interviewed line leader, has not yet begun.⁶⁶⁹ The corrupt Foxconn union, not unlike many other enterprise unions, has

⁶⁶⁴ Tim Pringle, 2011, *Trade Unions in China: The Challenge of Labour Unrest*, Abingdon, UK: Routledge, p. 162.

⁶⁶⁵ Wang Tongxin, 2013, “*Ba Quanli Jiaogei Gongren*” (Power to the Workers) 把權力交給工人, *Chinese Workers*, No. 5. <http://www.chineseworkers.com.cn/d276227433.htm>

⁶⁶⁶ Chris King-Chi Chan and Elaine Sio-Ieng Hui, 2012, “The Dynamics and Dilemma of Workplace Trade Union Reform in China: The Case of Honda Workers’ Strike,” *Journal of Industrial Relations* 54(5), pp. 653-68; Chris King-Chi Chan and Elaine Sio-Ieng Hui, 2013, “The Development of Collective Bargaining in China: From ‘Collective Bargaining by Riot’ to ‘Party State-led Wage Bargaining,’” *The China Quarterly*, pp. 1-22 (First Online in December).

⁶⁶⁷ Mary E. Gallagher, 2014, “China’s Workers Movement and the End of the Rapid-Growth Era,” *Daedalus: The Journal of the American Academy of Arts and Sciences* 143(2), p. 87.

⁶⁶⁸ Guo Jun, director of the democratic management department of the ACFTU (All-China Federation of Trade Unions), criticized Foxconn’s management and labor administration system as early as 2010 amid the spate of employee suicides. But it remains unclear if specific remedial measures were ever adopted by the officials. See Kathrin Hille, 4 November 2010, “Foxconn: No Change to Workers’ Rights,” *The Financial Times*.

<http://blogs.ft.com/beyond-brics/2010/11/04/foxconn-no-change-to-workers-rights/>

⁶⁶⁹ Worker interviewee 34. Four years on, union reforms at Foxconn have been proceeding at a snail’s

failed workers time and again. The ACFTU, in short, remains mostly ineffective at the workplace level. Bargaining by workers' direct actions, in the form of riots or otherwise, has been and remains a viable way to address workers' shared grievances. Yet the iron triangle of company, company union and the local Chinese state, maintains fundamental control over the workplace and labor.

Concluding Remarks

The oppressive conditions that confront Chinese workers in the market economy have led to a crescendo of protests since the early 1990s with specific demands for access to economic rights and social equity. With Foxconn and other large companies building subsidiaries and relocating workers from coastal to interior regions, worker protests are spreading throughout China. As labor actions proliferate and a younger generation is becoming more familiar with the Internet, they are acquiring new communication skills and knowledge of their rights. Foxconn workers use their cell phones to send messages to journalists and attract the media's attention, generating public pressure over their bosses. In the face of rising labor protests in supplier factories, an anonymous Apple executive told the *New York Times* on 26 December 2012 that "the days of easy globalization are done."⁶⁷⁰ But many workers have not experienced the "ease" or benefits that have been lavished on corporations and their executives.

Tensions boil over in many Foxconn plants when shipping deadlines approach and management demands longer working days without adequate rest. In response, worker protestors have opted for independent organizing strategies that prioritize direct action at the point of production. They have condemned and bypassed the management-controlled union. With workers aware of the opportunities presented by the demand by Apple, Amazon, Microsoft and other companies to meet quotas for new product models or holiday sales, they have come together at the dormitory, workshop or factory level to voice demands. They "name and shame" what they see as the Foxconn "sweatshop", urging global brands to live up to their professed corporate citizenship ideals.⁶⁷¹ When the work pressure becomes intolerable, they

pace, if any at all.

⁶⁷⁰ Quoted in Keith Bradsher and Charles Duhigg, 26 December 2012, "Signs of Changes Taking Hold in Electronics Factories in China," *The New York Times*.

http://www.nytimes.com/2012/12/27/business/signs-of-changes-taking-hold-in-electronics-factories-in-china.html?pagewanted=all&_r=0

⁶⁷¹ Gay W. Seidman, 2007, *Beyond the Boycott: Labor Rights, Human Rights, and Transnational Activism*, New York: Russell Sage Foundation; Peter Evans, 2010, "Is it Labor's Turn to Globalize? Twenty-First Century Opportunities and Strategic Responses," *Global Labour Journal* 1(3), pp. 352-79. <http://digitalcommons.mcmaster.ca/globallabour/vol1/iss3/3/>

stop working, though only temporarily.

In class struggles, workers (and their supporters) are the agency of historical development, and their efforts will continue to bring about labor reforms and institutional changes. If fair union elections and collective bargaining were guaranteed, beginning with Foxconn's Longhua and Guanlan mega factories in Shenzhen, this would be a landmark event for workers across China. To preserve its leadership and the authoritarian regime, the Chinese state has partially responded to aggrieved workers' demands (such as overtime wages and severance pay), and simultaneously channeled discontent through the bureaucratic mechanisms while acting decisively to crack down on large-scale protests.⁶⁷² In most instances, worker solidarity dissipated when leaders were intimidated or arrested, or when state-brokered settlements provided workers with limited gains while leaving the political structure and the fundamental pattern of social inequality intact.⁶⁷³ It is unclear how long this government interventionist strategy will remain viable, particularly when workers' basic rights and interests are routinely violated in the radical transformation of the economy.

⁶⁷² Ching Kwan Lee, 2014, "State and Social Protest," *Daedalus: The Journal of the American Academy of Arts and Sciences* 143(2), pp. 124-34.

⁶⁷³ See, for example, Eli Friedman, 2012, "Getting through the Hard Times Together? Chinese Workers and Unions Respond to the Economic Crisis," *Journal of Industrial Relations* 54(4), pp. 459-75; Eli Friedman, 2013, "Insurgency and Institutionalization: The Polanyian Countermovement and Chinese Labor Politics," *Theory and Society* 42(3), pp. 295-327.

Chapter 10

Conclusion

Few in China would want a return to the days of Mao Zedong... But the [1949] revolution is among the significant legacies of Chinese society...it continues to inspire confidence in the possibility of a different kind of society. It is this legacy that continues to fuel serious criticism in China.

—Arif Dirlik⁶⁷⁴

China is widely recognized as the workshop of the world — a colossus of mass production and export-driven growth. Production, distribution, and consumption drive the accumulation of profit and capital in China and globally. Apple, Samsung, Microsoft, Amazon, Sony, Nintendo, Lenovo and others compete in smartphone, computer, tablet, and game-console sales. All of them turn to Foxconn, among others, as the efficient producer for their products. We may say that conditions at Foxconn, with its 1.4 million employees, reveal in microcosm the lives of hundreds of millions of workers in an industrializing and urbanizing China, now the second largest global economy.

Since the 1980s, the Chinese state has partnered with global and domestic capital to create a new working class centered on rural migrant workers. Hailed by private capital and reform intellectuals for their willingness to accept low wages and adapt to market changes, rural migrant workers are contrasted with the old urban state sector labor force once hailed as the “Masters of Society” and now derided as “inflexible” and “unproductive.” Political scientist Dorothy Solinger in her important comparative study of China, France and Mexico between 1980 and 2000, starkly contrasts the gains of capital and the state vis-à-vis labor’s losses, including lifetime employment, health and pension benefits, and status.⁶⁷⁵ Following the massive layoffs that accompanied restructuring and privatization of state-owned enterprises in the mid to late 1990s, and the subsequent expansion of private domestic and foreign firms, the status distinctions between migrants and locals have been somewhat blurred, notably in low-margin manufacturing and assembly. Many more young workers are now involved in global production chains earning low wages with little security guarantees.

⁶⁷⁴ Arif Dirlik, 2008, “Introduction,” *Boundary 2* 35(2), pp. 12-13.

⁶⁷⁵ Dorothy J. Solinger, 2009, *States’ Gains, Labor’s Losses: China, France, and Mexico Choose Global Liaisons, 1980-2000*, Ithaca, NY: Cornell University Press.

In 2013, China's gross domestic product totaled 56.9 trillion Yuan, a 7.7 percent increase from the previous year, overshooting the official target of 7.5 percent.⁶⁷⁶ Behind the façade of economic prosperity, however, social and class inequality deepens. Under the new central government leadership of President Xi Jinping and Premier Li Keqiang, researchers have resumed reporting statistical information about income inequality after more than a decade's silence. The latest data in 2013 indicated that China's Gini⁶⁷⁷ is 0.47 (internationally, a Gini coefficient of 0.4 or above is considered high) — a level comparable to Nigeria, and slightly higher than that of the United States (0.45), all of which rank high in social inequality.⁶⁷⁸ This constitutes a sharp turnaround for a nation notable for low levels of income inequality during the period of state socialism from the 1950s through the 1970s.

Social analysts have observed the state policy shift to “the social,”⁶⁷⁹ or class compromise, in the course of rapid marketization. In 2013, the State Council issued a 35-point document entitled “Several Opinions on Deepening the Reform of the Income Distribution System” to address rising income inequality, in line with the broad developmental goals of “putting people first” and rebalancing efforts outlined in the two previous five-year plans beginning from 2005.⁶⁸⁰ Tax revenue redistribution from large state-owned enterprises — many of which are highly profitable — could contribute to reducing inequality. Increased public spending on education, health care, and affordable housing could also benefit low-income households, including many rural migrant families and their children.

Specifically, Beijing government leaders have also called on multinational companies to “expand cooperation with China, actively participate in the

⁶⁷⁶ National Bureau of Statistics of the People's Republic of China, 21 January 2014, “Preliminary Accounting Results of GDP in 2013.”

http://www.stats.gov.cn/english/PressRelease/201401/t20140121_503020.html

⁶⁷⁷ The Gini coefficient ranges between 0 and 1, where 0 corresponds with perfect equality (where everyone has the same income) and 1 corresponds with perfect inequality (where one person has all the income and everyone else has zero income). Rigorously calculated, it may be indicative of broad trends of income distribution and inequality. Many believe that China's official Gini results understate inequality. Nevertheless, official results documenting growing inequality over several decades are clearly indicative of broad trends.

⁶⁷⁸ *The Economist*, 26 January 2013, “Gini Out of the Bottle.”

<http://www.economist.com/hk/news/china/21570749-gini-out-bottle>

⁶⁷⁹ Ching Kwan Lee and You-tien Hsing, 2010, “Social Activism in China: Agency and Possibility,” *Reclaiming Chinese Society: The New Social Activism*, edited by You-tien Hsing and Ching Kwan Lee, London: Routledge, pp. 1-13.

⁶⁸⁰ State Council of the People's Republic of China, 2013, “*Guanyu shenhua shouru fenpei zhidu gaige ruogan yijian*” (Several Opinions on Deepening the Reform of the Income Distribution System) 關於深化收入分配制度改革若干意見, No. 6, 3 February.

http://www.gov.cn/zwqk/2013-02/05/content_2327531.htm

development of the western part of China, pay more attention to caring for workers and share development opportunities with the Chinese side.”⁶⁸¹ In these and other ways, the Party center signaled its concern over growing inequality and the potential for rising social conflict. But obstacles to advancing social equality and securing decent livelihood for the disadvantaged are formidable. Local governments and capital collaborate to bolster economic growth. Despite labor legislation and new regulations designed to protect workers, implementation has at best been weak and the laws have often been bent to accommodate company interests.

Perhaps the heart of the problem lies in the fact that while the center has called for protection of the interests of rural migrants, such as full and free access to public schools and health care programs, it has not provided or has not been able to provide the financing to assure the desired results without changing the capitalist mode of production and development. As a result, labor grievances build up and social activism repeatedly explodes in the form of strikes, protests, demonstrations and court challenges.⁶⁸²

China’s Developmental Model and its Limits

China’s emergence as the world factory was driven by the vast pool of rural migrants unleashed in the wake of decollectivization, economic policy shifts promoting rural to urban migration and export-oriented industrialization, the privatization of substantial portions of industry, and substantial foreign capital investment. The nation is riven by deep tensions played out across spatial and class lines. When *Time* magazine nominated workers in China as the runners-up in the 2009 Person of the Year, the editor commented that Chinese workers have brightened the future of humanity by “leading the world to economic recovery.”⁶⁸³ What is certain is that the new generation of workers continues to struggle to build a brighter future in the midst of profound social and economic change while facing insecurity and inequality.⁶⁸⁴

⁶⁸¹ Quoted in *Xinhua*, 28 March 2012, “Vice Premier Li Keqiang Meets Apple’s Tim Cook.” http://news.xinhuanet.com/english/china/2012-03/28/c_131494793.htm

⁶⁸² Mark Selden and Elizabeth J. Perry, 2010, “Introduction: Reform, Conflict and Resistance in Contemporary China,” *Chinese Society: Change, Conflict and Resistance*, edited by Elizabeth J. Perry and Mark Selden, London: Routledge, pp. 1-30.

⁶⁸³ Austin Ramzy, 16 December 2009, “Person of the Year 2009, Runners-Up: The Chinese Worker.” *Time*. http://www.time.com/time/specials/packages/article/0,28804,1946375_1947252_1947256,00.html

⁶⁸⁴ On recent discussions about precarious work and precarious labor (in China, the United States, and other social context), see Arne Kalleberg, 2009, “Precarious Work and Insecure Workers: Employment Relations in Transition,” *American Sociological Review* 74(1), pp. 1-22; Ching Kwan Lee and Yelizavetta Kofman, 2012, “The Politics of Precarity: Views beyond the United States,” *Work*

Unraveling the contradictions beneath the competitive “China price,” (i.e. the low prices of Chinese exports to the world market), Alexandra Harney draws attention to the true cost of Chinese competitive advantage, and issues a warning: “The high costs the country pays to achieve the China price make sustaining it a high-wire act.”⁶⁸⁵ Indeed, I have shown that Chinese migrant workers — not least those in the employ of such enormous and technologically adept companies as Foxconn — are compelled to perform a “high-wire act,” one that entails high risks, dangers and sacrifices for many, allowing disproportionate rewards for a few.

The responsibility for the China price is not, of course, that of Chinese workers, who some see as job stealers from European or North American workers. Chinese workers, together with their peers in other emerging economies, are put under extreme pressure in global production structures that work to the advantage of Apple, Foxconn, and other corporations. In the global race to the bottom, transnational capital has accelerated their move to Bangladesh, Cambodia, Vietnam, Indonesia and other countries in search of cheaper and more vulnerable labor.⁶⁸⁶ Indeed, as the combination of labor protests and state policies inexorably drive up Chinese wages, goods such as electronics and textiles labeled “Made in China” have fiercely competed with products from lower wage countries in Asia and elsewhere. Hundreds of millions of Chinese workers are subjected to market uncertainties, while young migrant workers’ direct actions staged at global factories are testimonies to the plights of a new working class.

Suicide as Protest

Suicide is an intensely personal, as well as social, response to one’s circumstances. In November 1970 in South Korea, 22-year-old textile worker Chun Tae-il immolated himself as a means to call on the government to protect workers’ rights. His desperate act inspired the labor and democratic movements that followed and helped transform South Korean politics and society, galvanizing “collective action by mobilizing the ‘hearts and minds’ of the target audience.”⁶⁸⁷ Did the Chinese

and Occupations 39(4), pp. 388-408; Guy Standing, 2011, *The Precariat: The New Dangerous Class*, London: Bloomsbury; Ronaldo Munck, 2013, “The Precariat: A View from the South,” *Third World Quarterly* 34(5), pp. 747-62.

⁶⁸⁵ Alexandra Harney, 2008, *The China Price: The True Cost of Chinese Competitive Advantage*, New York: The Penguin Press, p. 11.

⁶⁸⁶ See for example, Jaesok Kim, 2013, *Chinese Labor in a Korean Factory: Class, Ethnicity, and Productivity on the Shop Floor in Globalizing China*, Stanford, California: Stanford University Press.

⁶⁸⁷ Kim Hyojoung, 2008, “Micromobilization and Suicide Protest in South Korea, 1970-2004,” *Social Research* 75(2), p. 549.

workers at Foxconn, not unlike their Korean peers,⁶⁸⁸ engage in micro-mobilization by leaping to their deaths to awaken the people?

Some Chinese workers and commentators certainly think so. A young migrant worker Xiaoxiao memorializes the 12 Foxconn workers who attempted suicide at the two Shenzhen factory complexes in the first five months of 2010. His poem uses the Chinese character for *tiao*⁶⁸⁹ (jump or leap) twelve times to represent the workers, who he identifies as “*our* martyred workmates.”

Grieving Our Martyred Foxconn Workmates⁶⁹⁰

From the radio
Music lingers in the ears
On the television
A pleasing screen before the eyes
You, around me, your harmonious exterior
Covering capital’s hideous heartbeats

A hideous spirit is hard to hide
The golden era’s cloak wraps tightly

Leap
I use my life to end your glee
Leap
I use my life to stop the production line
Leap
I use my life to proclaim to the people
Leap
I use my life to protest against the times
Leap
I use my life to peel away your cloak
Leap
I use my life to let people see you reek of blood
Leap

⁶⁸⁸ Jamie Doucette, 2013, “Minjung Tactics in a Post-Minjung Era? The Survival of Self-Immolation and Traumatic Forms of Labour Protest in South Korea,” *New Forms and Expressions of Conflict in the Workplace*, edited by Gregor Gall, London: Palgrave Macmillan, pp. 212-32.

⁶⁸⁹ *Tiao* (跳).

⁶⁹⁰ *Daonian Fushikang gongyou lieshi* (悼念富士康工友烈士).

I use my life to reveal people's needs
Leap
I use my life to awaken them from their anesthesia
Leap, Leap, Leap
We use our lives to excavate a deeper passage
Leap
I use my life to seek human dignity

Xiaoxiao, a rural migrant factory worker
(Translated by Greg Fay)

Xiaoxiao, identifying with his peers, writes in the first person: "I use my life to proclaim to the people; I use my life to reveal people's needs; I use my life to seek human dignity."

If suicide is understood as one extreme form of labor protest chosen by some to expose an oppressive production regime in which migrant and other workers are deprived of dignified work and lives, many more workers are choosing other courses. The testimony of young woman worker Rong Fang⁶⁹¹ is illustrative:

One day my co-workers stopped work, ran out of the workshop and assembled on the grounds. I followed them. The dispute was over the under-reporting of overtime hours and the resulting underpayment of overtime wages. After half a day, the human resources managers agreed to look into the problems and promised to pay the back wages if there had been a company mistake. At night, in the dorm room, my older friend explained to me that I had participated in a strike!

A new generation with greater rights consciousness than its predecessors is voicing its demands. Assessing the power of labor at key nodes of global production, worker activists have rightly concluded that, powerful as it is, Foxconn is vulnerable to work stoppages under tight shipment deadlines when new models are released and during holiday seasons. They recognize, too, its vulnerability to international pressures in the wake of suicides in a media-connected world. Disgruntled workers are calling on Apple to take responsibility for conditions at the supplier factories that produce its electronic goods.

⁶⁹¹ Worker interviewee 23.

Corporate Social Responsibility in the Electronic Battlefield

In the wake of the multiple suicides of 2010 and continuing labor conflicts, Apple has demanded that its suppliers meet international standards of corporate social responsibility. Facing adverse publicity and urgent calls that it put its house in order,⁶⁹² Apple has repeatedly emphasized its “suppliers’ responsibility” for wages, working hours, occupational safety and health, environmental standards, and more recently, proper training for student interns. The point has been hammered home in eight supplier progress reports issued between 2007 and 2014. Recurrent labor crises, including excessive overtime, at Foxconn are however not merely Foxconn’s problem, despite the fact that Apple consistently defines them as such in its monitoring of its largest supplier.

Probably no corporation has been more successful than Apple in deflecting criticism and articulating claims to moral governance by talking about corporate responsibility. Apple’s chief executive Tim Cook has delivered numerous business ethics talks. He said in a February 2012 company statement, “We believe that workers everywhere have the right to a safe and fair work environment.”⁶⁹³ In a December 2012 media statement, Apple claimed that “our efforts range from protecting to empowering to improving the lives of everyone involved in assembling an Apple product. No one in our industry is doing as much as we are, in as many places, touching as many people as we do.”⁶⁹⁴

For Apple (and other technology giants) to hide behind the cloak of their corporate social responsibility statements is to mask the reality of the demands it places on Foxconn and other suppliers, demands that lead inevitably to 12-hour working days and seven day work-weeks during peak periods. My study of the Apple-Foxconn relationship demonstrates the over-riding power of the buyer to dictate terms governing the production relationship: Foxconn is compelled to honor Apple’s demands for quality and speed, or face loss of the contract. If Foxconn bears direct responsibility for conditions in its factories and labor force, it faces formidable pressures from Apple and other buyers to meet their demands. In short, the

⁶⁹² See for example, Apple Labor: How are the Factory Workers Making Apple Products Treated? (2012-present). <http://www.applelabor.com/>

⁶⁹³ Apple, 13 February 2012, “Fair Labor Association Begins Inspections of Foxconn.” <http://www.apple.com/pr/library/2012/02/13Fair-Labor-Association-Begins-Inspections-of-Foxconn.html>

⁶⁹⁴ Apple, 26 December 2012, “Apple’s Statement on Factory Conditions in China.” <http://www.nytimes.com/2012/12/27/business/apples-statement-on-factory-conditions-in-china.html?ref=business>

responsibility for illegal overtime, pressing workers to the limit, is shared by the two corporate giants, Apple and Foxconn. And it is Apple, with its superior bargaining power, that ultimately calls the shots.

At the industry level, the Electronic Industry Citizenship Coalition (EICC), an association of 84 corporate members worldwide as of December 2013, emphasizes that members, including Apple and Foxconn, should comply with the EICC Code of Conduct.⁶⁹⁵ The Code, established in 2004, aims to ensure worker safety and fairness, environmental responsibility, and business efficiency. When allegations of violations of the Code are raised, it is the member's responsibility to address the allegation and prove that it should remain a member in good standing. The industry association has neither the mandate nor the capacity to conduct independent investigations at Foxconn in China or elsewhere. Like many other private regulatory organizations, the EICC relies primarily on cooperation from members to promote labor and social standards in global production. The standards are not legally binding, but they play a role in advancing claims for companies seeking to burnish their global image.

My core concern is not only the construction of guiding principles at the global level, but above all their effective implementation. Samsung is competing with Apple to become the trendsetter in hi-tech electronics and outsourced manufacturing and assembly involving 249 first-tier suppliers in China as of 2012.⁶⁹⁶ Workers and activists have accused Samsung of irresponsible ordering practices resulting in dangerous factory conditions. With rights violations spiraling, workers have stood up to fight.⁶⁹⁷ The promises of corporate social responsibility programs, in the words of Garrett Brown, coordinator of the Maquiladora Health and Safety Support Network, "have been fatally undermined by the 'iron triangle' of lowest possible per-unit price, highest possible quality, and fastest possible delivery times."⁶⁹⁸

In December 2013, the Fair Labor Association, after monitoring Apple and Foxconn for two years, conveyed its expectation in the final report that "Apple will continue

⁶⁹⁵ The Electronic Industry Citizenship Coalition Code of Conduct:

http://www.eicc.info/eicc_code.shtml

⁶⁹⁶ Samsung, 26 November 2012, "Samsung Electronics Announces Corrective Measures of Working Conditions at Supplier Factories in China."

http://www.samsung.com/us/news/newsRead.do?news_seq=20315&page=1

⁶⁹⁷ Asia Monitor Resource Center, 2013, *Labour Rights in High Tech Electronics: Case Studies of Workers' Struggles in Samsung Electronics and its Asian Suppliers*, Hong Kong: Asia Monitor Resource Center.

⁶⁹⁸ Garrett Brown, 4 August 2010, "Global Electronics Factories in Spotlight," *Occupational Health and Safety*. <http://ohsonline.com/articles/2010/08/04/global-electronics-factories-in-spotlight.aspx>

to monitor compliance at Foxconn.”⁶⁹⁹ Specifically, the assessors introduced Apple sourcing teams to the Principles of Fair Labor Responsible Sourcing so that they could work with Foxconn to “identify and improve the materials and production planning processes that contribute to excessive overtime.”⁷⁰⁰ The critical point, however, is that Apple has yet to disclose any detail about its sourcing practices, and thus there is no basis for independent researchers to benchmark it against the Fair Labor Responsible Sourcing Principles, or the Guiding Principles on Business and Human Rights endorsed by the United Nations Human Rights Council in 2011.⁷⁰¹ Consumers in China, the United States and elsewhere are still left in the dark regarding the sourcing practices of Apple.

Apple University and Academic Advisory Board

Apple, as an industry leader in the tech and business worlds, has frequently found itself in the spotlight. In 2012, CEO Tim Cook set up an academic advisory board charged with improving its “worker programs” at supplier factories.⁷⁰² The eight advisors from U.S. universities — Richard Locke (Brown University), Mary Gallagher (University of Michigan), Eli Friedman (Cornell University), Mark Cullen (Stanford University), Margaret Levi (Stanford University), Dara O’Rourke (University of California, Berkeley), Annelee Saxenian (University of California, Berkeley) and Charles Sabel (Columbia University) — form a research team for Apple.⁷⁰³ In collaboration they are to gain access to Apple’s supplier responsibility program results. Moreover, they will “conduct or commission new research on labor standards within Apple’s supply chain.”⁷⁰⁴

How will the advisory board, led by Professor Richard Locke, help to improve workers’ lives? An important question is: whether undertaking research through

⁶⁹⁹ Fair Labor Association, 12 December 2013, “Final Foxconn Verification Status Report,” p. 3.

http://www.fairlabor.org/sites/default/files/documents/reports/final_foxconn_verification_report_0.pdf

⁷⁰⁰ Fair Labor Association, 12 December 2013, “Final Foxconn Verification Status Report,” Appendix 2. <http://www.fairlabor.org/report/final-foxconn-verification-status-report>

⁷⁰¹ United Nations Human Rights Council, 2011, “Guiding Principles on Business and Human Rights: Implementing the United Nations ‘Protect, Respect and Remedy’ Framework,” John Ruggie’s Report on the Issue of Human Rights and Transnational Corporations and Other Business Enterprises.

<http://www.ohchr.org/documents/issues/business/A.HRC.17.31.pdf>

⁷⁰² Apple, 2013, “Apple Supplier Responsibility: 2013 Progress Report,” p. 24.

http://images.apple.com/supplierresponsibility/pdf/Apple_SR_2013_Progress_Report.pdf

⁷⁰³ Brown University’s Watson Institute for International Studies, 26 June 2013, “Locke to Chair Apple’s Academic Advisory Board.”

<http://watson.brown.edu/news/2013/locke-chair-apples-academic-advisory-board>

⁷⁰⁴ *Cornell Chronicle*, Cornell University, 6 August 2013, “Apple Inc. Names ILR (Industrial and Labor Relations) Assistant Professor [Eli Friedman] to Advisory Board.”

<http://news.cornell.edu/stories/2013/08/apple-inc-names-ilr-professor-advisory-board>

Apple-facilitated projects will serve the interests of the corporation, or workers — the direct producers — in China and other countries? Will the Apple advisors and the Apple University academics critically examine the purchasing practices of the firm in ways that might ease the burdens of workers?

In 2008, when Steve Jobs' health deteriorated and he prepared for a liver transplant, Apple launched what it calls Apple University in Silicon Valley as a means of charting its future and teaching its executives to “think like Steve Jobs.”⁷⁰⁵ Under the leadership of former Yale Management School Dean Joel Podolny, Apple University serves as a business school to train Apple's own executives with an eye to assessing critically Apple's and its competitors' strategies. From 2011, Joshua Cohen, professor of political philosophy at Stanford University, has joined Apple University as faculty member.⁷⁰⁶ Is Apple University a place from which to raise ethical and fair labor issues or a place for such issues to be silenced? Fundamentally, what are the alternatives to capitalist relations of production, such that the collective consumption needs of workers are cared for and the nature of work and labor transformed?

Forces of Labor: A New Chinese Working Class

“If past patterns are any guide to the future, then we should expect major waves of industrial labor unrest...to occur in those regions that have been experiencing rapid industrialization and proletarianization,” Beverly Silver concludes in her survey of world labor movements since 1870. Focusing on the automobile industry, the dominant industry of the 20th century, she documents the emergence of strong new working class forces in primary sites of global investment as workers gained bargaining power leverage. Commenting on the rise of labor protests in the new millennium, she says “of greatest world-historical significance, in this regard, is the case of China.”⁷⁰⁷ Can we discern the prerequisites for a breakthrough in labor relations in electronics or other industries?

There are a few examples in which successful strikes inspire a wave of actions involving tens of thousands of Chinese workers from within a workplace or region.

⁷⁰⁵ Daniel Eran Dilger, 6 October 2011, “Apple University Revealed as Plan to Teach Executives to Think Like Steve Jobs,” AppleInsider. http://appleinsider.com/articles/11/10/06/apple_university_revealed_as_plan_to_teach_executives_to_think_like_steve_jobs

⁷⁰⁶ Joshua Cohen, Stanford University: <https://politicalscience.stanford.edu/faculty/joshua-cohen>

⁷⁰⁷ Beverly J. Silver, 2003, *Forces of Labor: Workers' Movements and Globalization since 1870*, Cambridge: Cambridge University Press, pp. 168-69.

A number of the most impressive cases involved foreign-owned firms. For example, in the Dalian Development Zone in Liaoning, northeast China, more than 20,000 workers went on strike from July to September 2005, affecting 18 Japanese- and Korean-invested enterprises, winning big wage increases.⁷⁰⁸ Workers from different companies in the same industrial zone often compare wages and benefits, and are ready to take action when the moment is right. In this and other cases, workers used mobile phone text messaging to mobilize and coordinate. In May and early June 2010, 1,800 workers and student interns at Honda (Nanhai) participated in a factory-wide strike to demand a 800 Yuan pay raise; following a partial victory at Honda, auto workers at supplier factories of Toyota and Hyundai were emboldened to take their demands to managers, leading to a strike wave in the Pearl River Delta in Guangdong.⁷⁰⁹ In April 2014, over 40,000 workers from all departments at the world's largest footwear supplier, Yue Yuan in Dongguan, jointly demanded "social insurance and housing fund payment,"⁷¹⁰ halting production for 12 days and winning partial concessions.⁷¹¹ Workers fighting to improve working conditions and living standards increasingly exhibit self-confidence and mobilization capability. However, they continue to face a formidable alliance of capital and the local state in preserving a business-friendly environment. While workers frequently succeed in gaining modest victories at a single factory or workshop, they face great difficulties in extending successes throughout an industry.

Chinese labor protests suggest the range of grievances and workers' demand for social protections. Limited institutional spaces of collective bargaining and workplace democracy are opening up. Article 4 of the 2008 Labor Contract Law requires employers to discuss enterprise rules (such as labor remuneration, working hours, rest and vacation, occupational safety and health, insurance and welfare, training, labor discipline, and work quota management) with a meeting of all

⁷⁰⁸ Feng Chen, 2010, "Trade Unions and the Quadripartite Interactions in Strike Settlement in China," *The China Quarterly* 201 (March), pp. 104-24.

⁷⁰⁹ Qiao Jian, 2013, "The Status of Chinese Workers in 2010: Share the Fruits of Economic Development and Collective Labor Rights," *Chinese Research Perspectives on Society, Volume 1*, edited by Lu Xueyi and Li Peilin, Beijing: Social Sciences Academic Press, pp. 217-37.

⁷¹⁰ *Huanwo shebo, huanwo zhufang gongjijin* (還我社保, 還我住房公積金).

⁷¹¹ On 5 April 2014, more than a thousand Yue Yuan employees — a majority the older workers — blocked the Gaobu Bridge in Donggua, demanding the government and the company to address the severe underpayment of social benefits, including old-age pensions. When the worker-management communications broke down, a factory-wide strike took place between 14 and 25 April, 2014, forcing the top company leaders, local trade union officials, and the municipal human resources and social security unit to step in to solve the problem. From 1 May 2014, management promised to provide social insurance in accordance with workers' actual wages, yet refused to pay the "historical debts," that is, unpaid social benefits owed to employees. See, for example, "*Dongguan Yu Yuan Da Bagong*" (Dongguan Yue Yuan General Strikes) 東莞裕元大罷工.

<http://www.youth-sparks.com/bbs/viewthread.php?tid=4086&extra=&page=6>

employees or elected worker congresses, and to confirm the rules only following a “consulting process” with worker representatives or the trade union on an equal footing.⁷¹² In May 2010, in the midst of worker suicides and protracted strikes in the Pearl River Delta industrial cities, the Guangdong provincial federation of trade unions proposed “Regulations on Democratic Enterprise Management,” which had been shelved in 2008 during the global economic slowdown. One article stipulates that company management must bargain with union representatives in good faith within 15 days of a request. Following this long-delayed attempt to carry out collective bargaining, in October 2013, the Guangdong Provincial People’s Congress released “Regulations on Enterprise Collective Consultations and Collective Contracts (Revised Draft)”⁷¹³ for public discussions. The legislature’s goal is to set up an effective wage negotiation system, among others, so as to harmonize labor relations on the principles of equality and mutual respect in the province. Employees can initiate a collective bargaining process, and management must “present a point-by-point written reply within 20 days of receiving the notice” (Article 25 of the Revised Draft).⁷¹⁴ But as of June 2014, in part due to joint opposition by the Hong Kong General Chamber of Commerce and other major business associations,⁷¹⁵ the legislation to establish collective negotiations and democratic enterprise management remains pending. Chinese workers’ struggles for social and economic protections, with support from concerned scholars and activists at home and abroad, will carry on.

Together with rising wages, some jobs are moving abroad and others are moving from coastal to lower-wage inland areas, particularly in the west in the face of fierce

⁷¹² Labor Contract Law of the People’s Republic of China, effective 1 January 2008:

http://www.npc.gov.cn/englishnpc/Law/2009-02/20/content_1471106.htm.

⁷¹³ The Standing Committee of Guangdong Provincial People’s Congress 廣東省人民代表大會常務委員會, 11 October 2013, *Guangdongsheng qiye jiti xieshang he jiti hetong tiaoli (xiuding caoan)* 廣東省企業集體協商和集體合同條例(修訂草案).

http://www.rd.gd.cn/rdgzxgnr/flcazjyj/201310/t20131011_136865.html

⁷¹⁴ Kong Xianghong, 2012, “Capacity-Building and Reform of Chinese Trade Unions: Using Legal and Democratic Means to Resolve the Conflict of Roles of Trade Union Chairs,” *Industrial Democracy in China: With Additional Studies on Germany, South-Korea and Vietnam*, edited by Rudolf Traub-Merz and Kinglun Ngok, Beijing: China Social Sciences Press, pp. 83-84.

<http://library.fes.de/pdf-files/bueros/china/09128/09128-english%20version.pdf>

⁷¹⁵ Corporate concerns center on the restriction of employer’s ability to implement company rules, the growth of trade union or employee-elected representatives’ power, and the rising costs in negotiation over wages, production quotas, sick leave and annual leave, and other labor welfare. See, for example, *The Bulletin*, January 2014, “Collective Negotiations,” The Hong Kong General Chamber of Commerce.

<http://www.chamber.org.hk/FileUpload/201401151554451727/Guangdong.pdf>; Eddy Li, 3 March 2014, “Collective Negotiations in Guangdong Should be Conducted Cautiously,” The Chinese Manufacturers’ Association of Hong Kong.

http://www.chinadaily.com.cn/hkedition/2014-03/03/content_17316030.htm

market competition and rising costs. Recent government statistics still show that the east coast is the primary destination for rural migrant workers nationwide. However, as enterprises build new factories in regions with lower wages, central and western China have narrowed the gap in industrial employment in accord with national policy: in 2013, 162 million migrants worked in the eastern region, 57 million in the central region, and 50 million in the western region.⁷¹⁶ A substantial number of workers are being recruited from within or sent back to their home province, in some cases close to their home town, where they may draw on local social networks for support. With a greater sense of entitlement associated with belonging to a place, and perhaps greater social resources to bring to the fight for their interests, the result could be enhanced working-class power in factories and worker communities at a time of demographic trends favorable to workers.

Other conditions may be favorable to labor organizing. The large supplies of surplus labor which allowed China's extraordinary industrial growth and urbanization over the quarter century from the 1980s to the 2008 recession have now given way to a contraction of labor supply as a result of rigorous birth planning and other factors associated with social change. Demographic changes have slowed the growth of the working-age population at a time of general aging, increasing the marketplace power of young productive workers.⁷¹⁷ Chinese fertility is presently 1.6 children per woman, down from more than six children in the 1950s and 2.5 in the 1980s. The number of laborers aged 20 to 24 is expected to decline from 125 million people in 2010 to around 80 million in 2020.⁷¹⁸ China's 2010 Population Census, moreover, showed that the age group 0-14 comprised 16.6 percent of total population, down 6.3 percent compared with the 2000 census data, suggesting reduction of labor supply in coming decades.⁷¹⁹ China's leaders have begun to recognize these demographic realities, formally ending the one-child family policy at the end of 2013.⁷²⁰ They

⁷¹⁶ National Bureau of Statistics of the People's Republic of China, 2014, "Tujie 2013 Nian Zhongguo Nongmingong" (A Graphical Illustration of the Chinese Rural Migrant Workers in 2013) 圖解 2013 年中國農民工. http://www.stats.gov.cn/tjsj/zxfb/201405/t20140512_551634.html

⁷¹⁷ Deborah S. Davis, 2014, "Demographic Challenges for a Rising China," *Daedalus: The Journal of the American Academy of Arts and Sciences* 143(2), pp. 26-38; Karen Eggleston, Jean C. Oi, Scott Rozelle, Ang Sun, Andrew Walder and Xueguang Zhou, 2013, "Will Demographic Change Slow China's Rise?" *The Journal of Asian Studies* (June), pp. 1-14.

⁷¹⁸ Baochang Gu and Yong Cai, 2011, "Fertility Prospects in China," United Nations Population Division, Expert Paper No. 2011/14, p. 13. http://www.un.org/esa/population/publications/expertpapers/2011-14_Gu&Cai_Expert-paper.pdf

⁷¹⁹ China conducts national censuses in the years ending in 0 (and 1% population census, known as mini-census, in the years ending in 5). See China's National Bureau of Statistics, 28 April 2011, "Press Release on Major Figures of the 2010 National Population Census." http://www.stats.gov.cn/english/newsandcomingevents/t20110428_402722237.htm

⁷²⁰ Under the "selective two children policy," which was endorsed by the Third Plenary Session of the 18th Communist Party of China in November 2013, couples are allowed to have two children if

have also sought to boost labor productivity through expanded investments in rural education and vocational skill training.

As the backbone of the nation's industrial development, young workers have higher expectations than the first wave of rural migrants. They aspire to develop technical skills, earn living wages, enjoy comprehensive welfare, and hold the full range of citizenship rights in the towns and cities they inhabit. "Realize the great Chinese dream, build a harmonious society," reads a local government banner.⁷²¹ To realize individual and national dreams, they will have to advance the fight for justice and dignity. Workers' protests and strikes may become better organized and planned. In globally connected production, a new generation of migrant workers could shape Chinese and world labor politics.

either parent is an only child. Previously, each spouse needed to be an only child to have a second child. However, China's extraordinary phenomenon of "excess males" will continue to confound its hopes for a baby boom.

⁷²¹ *Shixian weida Zhongguo meing, quanmian jianshe hexie shehui* (實現偉大中國夢，全面建設和諧社會).

Appendix 1

Suicides at Foxconn in China, 2010

Name	Gender	Age	Native place	Foxconn facility	Date of suicide	Remarks
1 Rong Bo	M	19	Hebei	Langfang	8 Jan 2010	Jumped from the 8/F
2 Ma Xianqian	M	19	Henan	Guanlan	23 Jan 2010	Fell from building
3 Li Hongliang	M	20s	Henan	Longhua	11 Mar 2010	Jumped from the 5/F
4 Tian Yu #	F	17	Hubei	Longhua	17 Mar 2010	Jumped from the 4/F
5 Li Wei #	M	23	Hebei	Langfang	23 Mar 2010	Jumped from the 5/F
6 Liu Zhijun	M	23	Hunan	Longhua	29 Mar 2010	Jumped from the 14/F
7 Rao Shuqin #	F	18	Jiangxi	Guanlan	6 April 2010	Jumped from the 7/F
8 Ning Ling	F	18	Yunnan	Guanlan	7 April 2010	Jumped from building
9 Lu Xin	M	24	Hunan	Longhua	6 May 2010	Jumped from the 6/F
10 Zhu Chenming	F	24	Henan	Longhua	11 May 2010	Jumped from the 9/F
11 Liang Chao	M	21	Anhui	Longhua	14 May 2010	Jumped from the 7/F
12 Nan Gang	M	21	Hubei	Longhua	21 May 2010	Jumped from the 4/F
13 Li Hai	M	19	Hunan	Guanlan	25 May 2010	Jumped from the 4/F
14 He (surname)	M	23	Gansu	Longhua	26 May 2010	Jumped from the 7/F
15 Chen Lin #	M	25	Hunan	Longhua	27 May 2010	Slit his wrists after failing to jump
16 Liu (surname)	M	18	Hebei	Nanhai	20 July 2010	Jumped from building
17 Liu Ming	F	23	Jiangsu	Kunshan	4 Aug 2010	Jumped from the 3/F
18 He (surname)	M	22	Hunan	Guanlan	5 Nov 2010	Jumped from building

Survived with injuries.

Note: Langfang city, Hebei province; Guanlan town, Shenzhen city, Guangdong province; Longhua town, Shenzhen city, Guangdong province; Nanhai city, Guangdong province; Kunshan city, Jiangsu province.

Source: Field research data and various news reports.

Appendix 2

List of Interviewees, 2010-2014

All the interviews were recorded with the consent of the informants. In keeping with good research practice I have kept the digital files and interview transcripts, as well as the identity of the 115 interviewees, strictly confidential. There were two exceptions to this practice. The workers and their families — suicide survivor Tian Yu (17-year-old female worker, interviewee 1) and severely injured Zhang Tingzhen (25-year-old male worker, interviewee 2) — had their stories reported in the media.

Foxconn workers (43 persons)

I conducted interviews with workers at internet cafés, restaurants, street-side stalls, basketball courts, parks, hospitals, worker dormitories, private living rooms and non-government workers' centers, where my interviewees were not subject to company surveillance. All workers interviewed were rural migrants aged 16–28, with middle school, high school, or vocational high school qualifications. They worked in assembly (semi-finished and finished products), quality testing (functionality and audiovisual appearance), metal processing, packaging and support service units. In each interview I followed a similar checklist of questions, including workers' relations with co-workers and line leaders, involvement in company trade union activities and/or elections, participation in individual and collective labor struggles, wages and benefits, working hours, occupational health and safety, living conditions and opportunities for promotion.

	Name, gender, birth-year, native-place	Educational attainment (completion year)	Foxconn work position, business group, location
1.	* Tian Yu F, 1993, Hubei [Tian Jiandang, father of Yu]	Vocational school (2009)	Assembly-line worker (Apple products), integrated Digital Product Business Group (iDPBG), Shenzhen
2.	* Zhang Tingzhen M, 1986, Henan [Zhang Guangde, father of Tingzhen]	Vocational college (2010)	Technician, Corporate Support Service, Shenzhen/Huizhou
3.	Chen Chunhua F, 1980, Henan	Vocational school (1998)	Office worker, Consumer and Computer Products Business Group (CCPBG), Shenzhen

4.	Cui Hong M, 1987, Hunan	Vocational school (2006)	Assembly-line worker (Machine maintenance), Communication and Network Solution Business Group (CNSBG), Shenzhen
5.	Zhang Zhuxiang F, 1986, Henan	Middle school (2000)	Assembly-line worker (repair and rework), innovation Digital System Business Group (iDSBG), Shenzhen
6.	Zhou Yan F, 1991, Hunan	Vocational school (2007)	Office worker, Super Precision Mechanical Business Group (SHZBG), Shenzhen
7.	Wu Zongbai M, 1988, Chongqing	High school (2006)	Assembly-line worker (repair and rework), innovation Digital System Business Group (iDSBG), Shenzhen
8.	Gao Wuhao M, 1990, Shannxi	Vocational school (2008)	Assembly-line worker (repair and rework), innovation Digital System Business Group (iDSBG), Shenzhen
9.	Han Xiangxiang F, 1991, Guangxi	Vocational school (2010)	Assembly-line worker (Motorola handset), Communication and Network Solution Business Group (CNSBG), Shenzhen/Nanning
10.	Tang Zuwei M, 1988, Guangxi	Vocational school (2006)	Assembly-line worker (set-top box), Communication and Network Solution Business Group (CNSBG), Shenzhen/Nanning
11.	Yan Zhu F, 1992, Guizhou	Vocational school (2010)	Assembly-line worker, Super Precision Mechanical Business Group (SHZBG), Shenzhen
12.	Zhang Rongchao M, 1990, Hubei	Vocational school (2009)	Line leader, Super Precision Mechanical Business Group (SHZBG), Shenzhen
13.	Li Buzhi F, 1990, Jiangxi	Vocational college (2011)	Assembly-line worker, Super Precision Mechanical Business Group (SHZBG), Shenzhen/Chengdu
14.	Xia Zongtao M, 1989, Jiangxi	Vocational college (2011)	Assembly-line worker, Super Precision Mechanical Business Group (SHZBG), Shenzhen/Chengdu
15.	Xie Subin F, 1986, Hunan	Middle school (2001)	Laser-soldering, Communication and Network Solution Business Group (CNSBG), Shenzhen
16.	Cao Yi M, 1990, Hunan	Vocational school (2010)	Quality control (Amazon Kindle), Technology Merging Services Business Group (TMSBG), Shenzhen
17.	Zhang Li F, 1993, Chongqing	Vocational school (2011)	Quality control (Amazon Kindle), Technology Merging Services Business Group (TMSBG), Shenzhen
18.	Tan Hong M, 1991, Hunan	Vocational school (2011)	Assembly-line worker (Amazon Kindle), Technology Merging Services Business Group (TMSBG), Shenzhen
19.	Cui Daqing F, 1992, Guizhou	Middle school (2008)	Assembly-line worker (iPhone), Consumer and Computer Products Business Group (CCPBG), Shenzhen/Taiyuan
20.	Yu Zhonghong M, 1991, Shanxi	High school (2010)	Assembly-line worker (iPhone casing), Super Precision Mechanical Business Group (SHZBG), Shenzhen/Taiyuan
21.	Luo Dingguo M, 1992, Shanxi	Vocational school (2011)	Assembly-line worker (iPhone casing), Super Precision Mechanical Business Group (SHZBG), Shenzhen/Taiyuan
22.	Li Xiaoxiang M, 1993, Jiangxi	Vocational school (2010)	Assembly-line worker, Net-Work Inter-Connection Business Group (NWInG), Shenzhen

23.	Rong Fang F, 1994, Hunan	Middle school (2010)	Assembly-line worker, Personal Computing Electronics Business Group (PCEBG), Shenzhen
24.	Chen Yuzhong M, 1990, Hubei	Vocational school (2008)	Assembly-line worker (metal-case molding), Personal Computing Electronics Business Group (PCEBG), Shenzhen
25.	Li Meixia F, 1993, Henan	Vocational school (2011)	Quality Control, integrated Digital Product Business Group (iDPBG), Shenzhen/Zhengzhou
26.	Lu Jiang M, 1991, Henan	Vocation school (2010)	Quality Control, integrated Digital Product Business Group (iDPBG), Shenzhen/Zhengzhou
27.	Su Hualing F, 1991, Hubei	Vocation school (2010)	Assembly-line worker, Personal Computing Electronics Business Group (PCEBG), Shenzhen/Wuhan
28.	Mao Yaqing F, 1993, Hubei	Middle school (2009)	Assembly-line worker, Personal Computing Electronics Business Group (PCEBG), Shenzhen/Wuhan
29.	Wu Qiuzi M, 1994, Hubei	High school (2011)	Line leader, Personal Computing Electronics Business Group (PCEBG), Shenzhen/Wuhan
30.	Ma Quan M, 1991, Sichuan	Vocational school (2010)	Assembly-line worker (iPad-case polishing), innovation Digital System Business Group (iDSBG), Chengdu
31.	Wang Ruishi M, 1994, Sichuan	Vocational school (2008)	Assembly-line worker (iPad-case polishing), innovation Digital System Business Group (iDSBG), Chengdu
32.	Ouyang Zhong M, 1988, Sichuan	Vocational school (2007)	Assembly-line worker, innovation Digital System Business Group (iDSBG), Chengdu
33.	Wang Shuping M, 1989, Sichuan	Middle school (2006)	Line leader, Personal Computing Electronics Business Group (PCEBG), Wuhan/Shenzhen
34.	Wang Fenghui M, 1987, Henan	High school (2007)	Line leader, integrated Digital Product Business Group (iDPBG), Shenzhen
35.	Liang Zejun F, 1986, Hunan	Vocational school (2005)	Office worker, Administration, Logistic and Customer Service, Shenzhen
36.	Cui Yuanyuan F, 1992, Jiangxi	Middle school (2009)	Assembly-line worker, Super Precision Mechanical Business Group (SHZBG), Chengdu
37.	Duan Dong M, 1991, Sichuan	Middle school (2007)	Quality control, Super Precision Mechanical Business Group (SHZBG), Chengdu
38.	Zhu Weili M, 1986, Sichuan	Middle school (2003)	Assembly-line worker, innovation Digital System Business Group (iDSBG), Chengdu
39.	Fan Chunyan F, 1989, Sichuan	Middle school (2006)	Assembly-line worker (iPad component cleaning), Precision Mechanical Business Group (SHZBG), Chengdu
40.	Feng Qingliang F, 1990, Sichuan	Vocational school (2008)	Line leader, innovation Digital System Business Group (iDSBG), Chengdu
41.	Zhang Heqing M, 1994, Sichuan	Middle school (2010)	Assembly-line worker (iPad component cleaning), Precision Mechanical Business Group (SHZBG), Chengdu

42.	Chen Ximei F, 1992, Guizhou	Vocational school (2011)	Assembly-line worker, integrated Digital Product Business Group (iDPBG), Shenzhen
43.	Lin Xiaochang M, 1985, Hubei	Vocational school (2011)	Assembly-line worker, Precision Mechanical Business Group (SHZBG), Shenzhen

Foxconn student interns (38 persons)

My interviews revealed that the student interns were pursuing a wide range of majors including arts, graphic design, automotive repair, petro-chemistry, Chinese herbal medicine, horticulture, agriculture, secretarial services, computer science, business management, accounting, textile and clothing, sales and marketing, hotel and tourism, electronics and mechanics and many more. All the interns were aged between 16 and 18 and of rural background. They were dispatched to Foxconn's Shenzhen and Chengdu facilities from eight vocational and technical schools for "skills training." The duration of internships lasted from three months to one year. A majority of my student interviewees were in the first or second year of studies, while eight were in their third and final year.

	Name, gender, birth-year, native-place	Major of studies	Vocational school	Foxconn job
1.	Zhang Lintong M, 1994, Henan	Arts	Technical school (1), Henan	Assembly (iPhone)
2.	He Linzhu M, 1994, Henan	Arts and Design	Technical school (1), Henan	Assembly (iPhone)
3.	Li Wei M, 1993, Henan	Automotive repair	Technical school (1), Henan	Assembly (iPhone)
4.	Yang Quan F, 1993, Henan	Automotive repair	Vocational school (2), Henan	Quality control
5.	Huang Shuo M, 1992, Henan	Automotive repair	Vocational school (2), Henan	Quality control
6.	Yang Xue F, 1993, Sichuan	Secretarial services	Vocational school (3), Sichuan	Assembly
7.	Huang Lifang F, 1994, Sichuan	Secretarial services	Vocational school (3), Sichuan	Assembly
8.	Liu Siying F, 1992, Sichuan	Electronics and mechanics	Vocational school (3), Sichuan	Assembly (printed circuit boards)
9.	Fang Tiantian M, 1993, Sichuan	Electronics and mechanics	Vocational school (4), Sichuan	Packaging

10.	He Gaoxue F, 1992, Sichuan	Textile and clothing	Vocational school (4), Sichuan	Packaging
11.	Cao Wang F, 1994, Sichuan	Textile and clothing	Vocational school (4), Sichuan	Assembly (iPad)
12.	Chen Hui F, 1994, Sichuan	Construction	Vocational school (4), Sichuan	Assembly (iPad)
13.	Lin Qiang M, 1994, Sichuan	Hotel and tourism	Vocational school (4), Sichuan	Quality control
14.	Wang Ling M, 1993, Sichuan	Business administration	Vocational school (4), Sichuan	Quality control
15.	Wang Meiyi F, 1994, Sichuan	Sales and marketing	Vocational school (5), Sichuan	Assembly (iPad)
16.	Chen Jifeng M, 1994, Sichuan	Sales and marketing	Vocational school (5), Sichuan	Assembly (iPad)
17.	He Pingping M, 1993, Sichuan	Sales and marketing	Vocational school (5), Sichuan	Assembly (iPad)
18.	Zhang Xubi M, 1992, Sichuan	Agriculture	Vocational school (5), Sichuan	Assembly (iPad)
19.	Wang Xiaodong M, 1992, Sichuan	Horticulture	Vocational school (5), Sichuan	Assembly (iPad)
20.	Li Duanyi M, 1992, Sichuan	Horticulture	Vocational school (5), Sichuan	Assembly (iPad)
21.	Shen Yong M, 1993, Sichuan	Electronics and mechanics	Vocational school (5), Sichuan	Assembly (iPad)
22.	Jin Qiu M, 1993, Sichuan	Electronics and mechanics	Vocational school (5), Sichuan	Assembly (iPad)
23.	Xiao Li M, 1994, Sichuan	Automotive repair	Vocational school (6), Sichuan	Quality control
24.	Han Biqu F, 1993, Sichuan	Automotive repair	Vocational school (6), Sichuan	Quality control
25.	Zhang Yanrong M, 1994, Sichuan	Automotive repair	Vocational school (6), Sichuan	Assembly (iPad)
26.	Chen Leshan M, 1992, Sichuan	Electronics and mechanics	Vocational school (6), Sichuan	Assembly (iPad)
27.	Li Hanwen M, 1993, Sichuan	Electronics and mechanics	Vocational school (6), Sichuan	Assembly (iPad)
28.	Chen Weida M, 1994, Sichuan	Business management	Vocational school (7), Sichuan	Assembly (iPad)

29.	Liu Shihan F, 1993, Sichuan	Accounting	Vocational school (7), Sichuan	Assembly (iPad)
30.	Sun Meiling F, 1994, Sichuan	Accounting	Vocational school (7), Sichuan	Assembly (iPad)
31.	An Qing F, 1993, Sichuan	Computer science	Vocational school (7), Sichuan	Packaging
32.	Yu Baijie M, 1992, Sichuan	Computer science	Vocational school (7), Sichuan	Packaging
33.	Chen Ji M, 1994, Sichuan	Computer science	Vocational school (7), Sichuan	Quality control
34.	Jia Dexi M, 1995, Sichuan	Chinese herbal medicine	Technical school (8), Sichuan	Quality control
35.	Li Ming M, 1993, Sichuan	Petro-chemistry	Technical school (8), Sichuan	Laser soldering (iPad)
36.	Peng Ying F, 1994, Sichuan	Petro-chemistry	Technical school (8), Sichuan	Laser soldering (iPad)
37.	Yu Yanying F, 1993, Sichuan	Petro-chemistry	Technical school (8), Sichuan	Assembly
38.	Tan Huaizhong M, 1992, Sichuan	Petro-chemistry	Technical school (8), Sichuan	Quality control (iPhone)

Vocational school teachers (14 persons)

The female and male teachers, from the same eight vocational and technical schools in my sample, were responsible for their students' internships at Foxconn. The teachers reported for duty at the designated administrative building from 9 a.m. to 5 p.m., Monday to Friday, and maintained the smooth running of the "work-study program." All of them had prior experience in managing similar school-business collaborative projects. The teachers were housed in the factory dormitories during the entire internship period.

	Name, gender, Birth-year, Native-place	Teaching responsibility	Vocational school	Foxconn student internship
1.	Teacher Zhu M, 30s, Henan	Administrator	Technical school (1), Henan	Shenzhen (Jun 2010-spring 2011)
2.	Teacher Ding F, 28, Henan	Class mistress	Technical school (1), Henan	Shenzhen (Jun 2010 – spring 2011)
3.	Teacher Wan M, 40s, Henan	Class master	Vocational school (2), Henan	Shenzhen (Jun 2010 – spring 2011)

4.	Teacher Yang M, 30s, Sichuan	Class master	Vocational school (3), Sichuan	Shenzhen (Summer 2011-2012)
5.	Teacher Wang F, 30s, Sichuan	Career counselor	Vocational school (3), Sichuan	Shenzhen (Summer 2010 – spring 2011)
6.	Teacher Yin M, 51, Sichuan	Career counselor	Vocational school (4), Sichuan	Chengdu (Mar – summer 2011)
7.	Teacher Tian M, 40s, Sichuan	Class master	Vocational school (4), Sichuan	Chengdu (Sep 2011 – Jan 2012)
8.	Teacher Tan M, 30s, Sichuan	Class master	Vocational school (5), Sichuan	Chengdu (Sep 2011– Jan 2012)
9.	Teacher Chong M, 40s, Sichuan	Career counselor	Vocational school (5), Sichuan	Chengdu (Sep 2011 – Jan 2012)
10.	Teacher Zhou M, 30s, Sichuan	Administrator	Vocational school (6), Sichuan	Chengdu (Sep 2011 – Jan 2012)
11.	Teacher Pu M, 26, Sichuan	Class master	Vocational school (7), Sichuan	Shenzhen/Chengdu (2010/2011)
12.	Teacher Jiang F, 25, Sichuan	Administrator	Vocational school (7), Sichuan	Chengdu (Sep-Dec 2011)
13.	Teacher Cai F, 26, Sichuan	Class mistress	Technical school (8), Henan	Shenzhen/Chengdu (2010/2011)
14.	Teacher Xu M, 27, Sichuan	Class master	Technical school (8), Henan	Chengdu (Sep-Dec 2011)

Foxconn managers (14 persons)

The manager interviewees were responsible for production management (four persons), commodity procurement (three persons), product engineering (two persons) and human resources (five persons). Twelve were junior to mid-level and two were senior managers who have been working at Foxconn from three to ten years. I interviewed them individually or in a pair as preferred. Interview questions covered the managers' major responsibilities and challenges, liaison with corporate customer representatives, staff supervisory structure, product research and development, business growth, corporate culture, production automation plan, crisis management at times of worker suicides, strikes and/or protests, relationships between company development and governmental support and recent labor policy reforms.

	Name, gender, age	Educational attainment	Foxconn work position, location
1.	Manager Xie M, 30	Industrial engineering, university graduate	Human resources (corporation), Shenzhen

2.	Manager Chen M, 24	Business management, university graduate	Human resources (corporation), Shenzhen/Chengdu
3.	Manager Zhu M, 31	Business administration, college graduate	Human resources (business group), Chengdu
4.	Manager Ding M, 29	English, university graduate	Human resources (business group), Chengdu
5.	Manager Li M, 30s	Finance, university graduate	Human resources (business group), Shenzhen
6.	Manager Wan F, 28	Industrial engineering, university graduate	Production management, Chengdu
7.	Manager Xia F, 25	Engineering, college graduate	Production management, Chengdu
8.	Manager Lin M, 27	Computer and information technology, university graduate	Production management, Shenzhen
9.	Manager He M, 33	Computer and information technology, university graduate	Production management, Shenzhen
10.	Manager Xu M, 30s	Business administration, college graduate	Commodity procurement, Shenzhen
11.	Manager Zheng M, 30s	Marketing, college graduate	Commodity procurement, Shenzhen
12.	Manager Qin M, 40s	Marketing, college graduate	Commodity procurement, Chengdu
13.	Manager Liang M, 30	Industrial engineering, university graduate	Product engineering, Shenzhen
14.	Manager Tan M, 34	Mechanical engineering, university graduate	Product engineering, Chengdu

Government officials (6 persons)

All the interviews were conducted at the local government offices (at the township, district, and city levels). A Foxconn manager and two school teachers helped to identify interested officials at the early stage of my research. In my second visit to Foxconn Chengdu, I was referred to two other officials for additional interviews.

	Name, age	Government responsibility	Collaboration with Foxconn
1.	Mr. Han Mid-30s	Vocational education and policy development	Coordinate student internships at Foxconn Chengdu (2011-2012)
2.	Mr. Li 40s	Vocational education and policy development	Coordinate student internships at Foxconn Chengdu (2011-2012)

3.	Mr. Wang 40s	Economic policy	Alleviate poverty through employment promotion in Sichuan (2010-2013)
4.	Mr. Zhan Late 30s	Work and employment services	Recruit workers and interns for Foxconn Chengdu (2011-2012)
5.	Mrs. Zheng Early 30s	Work and employment services	Recruit workers and interns for Foxconn Chengdu (2011-2012)
6.	Mr. Jian 40s	Labor and social security policy	Labor protection in Shenzhen Bao'an District (2011-present)

Appendix 3

Foxconn Locations around the World, 1974-2014

Country	City/Town
1. Taiwan	Head office, Huyue Factory, Minsheng Factory, Dingpu Factory (New Taipei City), Hsinchu Science Park branch office (Hsinchu City), Neihu branch office (Taipei City)
2. China	In four provincial-level municipalities (Beijing, Tianjin, Shanghai, and Chongqing) and 15 provinces, including Guangdong (Shenzhen, Foshan, Zhongshan, Huizhou, Dongguan), Jiangsu (Kunshan, Nanjing, Changsu, Funing), Zhejiang (Hangzhou, Ningbo, Jaishan), Fujian (Xiamen), Shandong (Yantai), Liaoning (Yingkou, Shenyang), Shanxi (Taiyuan, Jincheng, Datong), Hebei (Langfang, Qinhuangdao), Henan (Zhengzhou), Hubei (Wuhan), Hunan (Hengyang), Guangxi (Nanning), Jiangxi (Fengcheng), Sichuan (Chengdu), and Hainan Island (Haikou)
3. Japan	Toyko, Sakai, Kyoto, Nagano, Chiba, Yokohama
4. South Korea	Seoul
5. Australia	Rydalmere (Sydney)
6. New Zealand	Wellington
7. Canada	Toronto
8. United States	Boston (Massachusetts), Harrisburg (Pennsylvania), Raleigh (North Carolina), Sunrise, St Lucie (Florida), Chicago (Illinois), Memphis (Tennessee), Dallas, Fort Worth, Austin, Houston (Texas), San Diego, Los Angeles, San Jose, Santa Clara, Fremont (California), Hillsboro (Oregon), Plainfield (Indiana)
9. Mexico	San Jerónimo, Ciudad Juárez (Chihuahua), Reynosa, Guadalajara, Tijuana
10. Brazil	Jundiaí, Itu, Sorocaba, Indaiatuba (São Paulo), Manaus (Amazonas), Santa Rita do Sapucaí (Minas Gerais)
11. Turkey	Parsel Çorlu/Tekirdag
12. Hungary	Komárom, Székesfehérvár
13. Czech Republic	Pardubice, Kutna Hora
14. Slovakia	Nitra
15. Germany	Dusseldorf
16. Austria	Vienna
17. The Netherlands	Amsterdam, Eindhoven, Heerlen
18. Denmark	Copenhagen
19. Sweden	Lund

20.	Finland	Helsinki
21.	Russia	St. Petersburg, Moscow
22.	Scotland	Glasgow
23.	Ireland	Limerick
24.	United Arab Emirates	Dubai
25.	India	Chennai, Sriperumbudur (Tamil Nadu)
26.	Vietnam	Bac Ninh, Bac Giang
27.	Malaysia	Kuala Lumpur, Penang, Kulai (Johor)
28.	Singapore	Ruby Land Complex, 54 Genting Lane
29.	Indonesia	Jakarta

Source: Foxconn websites.

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