

GoodElectronics & makeITfair Public Statement – 1 June 2010

Foxconn – an appalling showcase for the global electronics sector

Over the past months a wave of suicides has occurred at the Foxconn plant of Longhua in southern China. 12 employees all between 18 and 24 years old have attempted to commit suicide; reportedly 10 workers have died, two have survived but suffer injuries. Foxconn is a Taiwanese electronics giant, manufacturing for all major global electronics brands.

GoodElectronics and makeITfair are appalled by this suicide cluster and are urgently calling upon Foxconn and its customers to investigate the matter and to address the root causes of this situation.

Foxconn Technology Group is part of the Taiwanese company Hon Hai Precision Industry. Foxconn has about 20 plants in China, reportedly employing 800,000 people. The Longhua plant reportedly employs and houses about 300,000 people.¹ Besides plants in China, Foxconn has plants in several other countries, including in Guadalajara, Mexico. Foxconn produces computers, TVs, game computers, MP3-players, mobile phones and smart phones, including the Apple iPhone and the Nintendo Wii. Workers at Foxconn Chinese plants are most times labour migrants from the rural areas who generally speaking have a frail legal and social position in Chinese society. The corporate culture of Foxconn has been described as a quasi-military management system.²

Trade unions and NGOs, including GoodElectronics member organisations and makeITfair partners, have repeatedly pointed at labour rights issues that occur in the global electronics supply chain, such as heavy work load and high production quota, long working days, forced overtime, wages that are too low to provide workers with a decent living, and unhealthy or sometimes downright dangerous labour conditions. International consumer brands drive down prices and demand shorter delivery times when placing orders. Made to live in jam-packed dormitories, worn-out workers often hardly find time or opportunity to live a normal social life. To secure contracts, manufacturers like Foxconn minimize their costs to remain competitive. While Foxconn holds primary responsibility for its workers, Foxconn's buyers are also to blame for this race to the bottom. It is important to note that abusive labour conditions do not just occur at Foxconn in China, but are found in varying degrees in other plants in other countries as well.

Chinese and Taiwanese labour rights groups have called upon Foxconn, brand names companies sourcing from Foxconn, as well as upon the Chinese government to bring about drastic reforms, to ensure the reported abuses do not continue to occur.³ Chinese sociologists have written a public appeal, calling upon Foxconn to address to the problems of the new generations of Chinese migrant workers.⁴ The trade union campaign site LabourStart is sporting an on-line petition.⁵

Responses so far have been unsatisfactory. Foxconn's billionaire owner has blamed the suicides in its plant on China's social problems and refused to accept that excessive overtime or Foxconn's disciplinary management style had anything to do with the issue. Foxconn has brought in counsellors and Buddhist monks, but at the same time its CEO, Terry Gou, made the outrageous claim that workers committed suicide to pocket compensation provided by the company to the victims' families. The news that Foxconn plans to raise the wages at the

¹ <http://www.ft.com/cms/s/2/5e1ee750-6a05-11df-a978-00144feab49a.html>.

² http://www.chinadaily.com.cn/china/2010-04/14/content_9725475.htm.

³ <http://sacom.hk/archives/645>.

⁴ <http://sacom.hk/archives/644>.

⁵ http://www.labourstart.org/cgi-bin/solidarityforever/show_campaign.cgi?c=714.

Longhua plant by 20% needs to be put in context.⁶ Recently, in several regions in China, a minimum wage increase has been put through. Once this adjustment will be carried out in Shenzhen as well, the wages at Foxconn will not be far from the new standard. Foxconn recently introduced a highly unusual waiver form which employees have to sign stating that they will not harm themselves or other employees, and that they agree that the company is operating properly, based against government regulations.⁷

Reportedly, some of Foxconn's customers, including Apple, Dell, HP, Nokia and Nintendo, are in touch with Foxconn and have called for investigations into the suicides and additional social audits.⁸ Concerted action, however, is lacking. Brands refrain from constructively deploying their joint leverage to make Foxconn a decent employer.

The Electronics Industry Citizenship Coalition (EICC) issued a statement announcing that a multi-company task force will be set up to assess where the EICC can best offer support. The Board of Directors expects to engage multiple parties in the task force to better understand the issues and to support relevant work across the entire electronics industry.⁹ While the EICC efforts to look into this case are welcomed, it needs to be stressed that a one-off task force will not suffice to deal with the problems in the overall electronics supply chain. EICC and its member will need to upgrade the EICC code of conduct regarding freedom of association and collective bargaining, and improve their record on purchasing practices, auditing, and stakeholder involvement.

In line with their respective missions and broader agenda, GoodElectronics and makeITfair stress that freedom of association and the right to collective bargaining are to be respected. Genuine adherence to these enabling rights will allow for workers to express their grievances and defend their rights in a humane manner. Consumer brands and other customers of Foxconn should embed this in their supply chain policies and practices. Trade unions should be formed through democratic and independent elections among the labour force. According to local labour rights groups, the trade union currently in place at the Longhua plant does not have the trust of the workers as its members were not democratically elected. Credible stakeholder involvement in the investigations and audits into the suicides and working regime should be guaranteed.

GoodElectronics and makeITfair support the demands for reform as expressed by Chinese and Taiwanese civil society and the international solidarity campaign. GoodElectronics and makeITfair are calling upon Foxconn to be a responsible employer and to show humanity to the families of the victims and the injured workers. Besides following the law, Foxconn should provide for generous financial and psychological support for the victims as well as look after the current workers.

GoodElectronics is an international network of about 135 trade unions, NGOs, networks, academics activists, etc., working for sustainability and human rights in the global electronics supply chain.

GoodElectronics is addressing the electronics sector on the basis of its [Common Demands](#). In [Reset. Corporate social responsibility in the global electronics supply chain](#), published in 2009, an overview is presented of issues in the electronics sector, together with an indication of progressive initiatives and concrete recommendations to address these issues. Reset is also available in Chinese. Contact: info@goodelectronics.org

makeITfair is a European project that aims to improve working conditions and prevent environmental damage within the electronics industry. makeITfair is informing people across Europe about labour abuses and environmental problems that are going on right now around the world in the production of mobile phones, laptops or mp3 players. More information at the [makeITfair website](#). Contact: info@makeitfair.org

⁶ <http://www.ft.com/cms/s/2/5e1ee750-6a05-11df-a978-00144feab49a.html>.

⁷ <http://nexus404.com/Blog/2010/05/26/foxconn-employees-asked-to-sign-non-suicidal-waiver-foxconn-is-urging-employees-to-sign-a-waiver-that-says-they-wont-commit-suicide-or-sue-if-they-do/#ixzz0pVc8wGaN>.

⁸ <http://www.theaustralian.com.au/business/news/billionaire-terry-gou-sweats-in-fallout-over-10-hon-hai-suicides/story-e6frq90x-1225872003166>.

⁹ <http://www.eicc.info/pdf/PR%20China%2020100528.pdf>.