

# 2010

*With a workforce of more than one million in mainland China alone, the Taiwanese Foxconn Technology Group is a major contractor for Apple and other leading multinational corporations. In 2010, when it was reported that eighteen workers had attempted suicide at company facilities in China, resulting in fourteen deaths, it made visible the conditions of overwork and desperation and elicited international condemnation. All of the victims hailed from the Chinese countryside and were in the prime of youth—representative of what scholars had then just begun calling the ‘second generation of migrant workers’. Taking place roughly at the same time as the mobilisation of temporary workers at the Honda plant in Nanhai, the media spotlight on the ‘Foxconn Suicide Express’ once again revealed the structural torsion within Chinese society caused by the combined activities of international capital and the Chinese state.*

# The Foxconn Suicide Express

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To die is the only way to testify that we ever lived. Perhaps for the Foxconn employees and employees like us, the use of death is to testify that we were ever alive at all, and that while we lived, we had only despair.

— A Chinese worker's blog, 27 May 2010<sup>1</sup>

It was in January 2010 that I and my group of scholar-activists first heard about the suicides of workers at the Foxconn electronics plants in Shenzhen, Guangdong Province.<sup>2</sup> In the subsequent months, we closely followed reports on what the media had dubbed the 'suicide express'. After the ninth 'Foxconn jumper' committed suicide on 11 May, several scholars and students, including me, met to discuss what might be done to prevent more suicides. One week later, we joined others in issuing a public statement calling on Foxconn, the Chinese Government and the All-China Federation of Trade Unions to act decisively to end the 'chain of suicides'. The statement read:

From the moment the new generation of rural migrant workers step beyond the doors of their houses, they never think of going back to farming like their parents. 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 workers face 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.<sup>3</sup>

By December 2010, eighteen workers were known to have attempted suicide at Foxconn facilities; fourteen were dead, while four survived with crippling injuries. They ranged in age from seventeen to twenty-five; all were rural migrants in the prime of youth, and emblematic of the new Chinese working class.

Suicide involves an intensely personal, and social, struggle on the part of the individual. In November 1970 in South Korea, twenty-three-year-old textile worker Chun Tae-il poured gasoline on his body and set himself ablaze in the hope of rallying fellow workers to demand that the Park Chung-hee dictatorship protect worker rights. His suicide inspired the subsequent labour and democratic movements and helped transform South Korean civil society.<sup>4</sup> As Kim Hyojoung puts it, Chun galvanised ‘collective action by mobilizing the “hearts and minds” of the target audience.’<sup>5</sup> In China, Foxconn employees who committed suicide in 2010 and after also issued a *cri de coeur* in response to the harsh conditions that confronted workers.<sup>6</sup> The tragic loss of young lives reverberated throughout society and internationally, inspiring a global call to guarantee worker rights and prevent more deaths. But did their deaths and the ensuing public response set in motion fundamental changes in labour conditions in China and the world?

#### Foxconn and Its Global Electronics Production

Foxconn’s parent company, the Hon Hai Precision Industry Company, was established by Terry Gou in Taiwan in February 1974. The trade name Foxconn alludes to the corporation’s claim to produce electronic connectors (used in applications for computers) at fox-like speed. Foxconn, with its final assembly and production of personal computers, mobile phones, videogame consoles and other consumer electronic products for tech brands, quickly outstripped most other manufacturers in providing low-cost, efficient services to Apple and other leading international firms. Within four decades, Foxconn would evolve from a small processing factory to become the world leader in high-end electronics manufacturing, with plants dotted around China and, subsequently, the world. Today, the company has more than 200 subsidiaries and branch offices in Asia, the Americas and Europe.<sup>7</sup>

As Foxconn strives to dominate global electronics manufacturing and advanced technology, its aspirations align with China’s goal to become the world’s economic and technological superpower. China remains the

heart of Foxconn's global corporate empire and profitability. By 2005, Taiwanese scholar Tse-Kang Leng estimated that 90 percent of Hon Hai's net profit was generated from its business in China, and the integration of the company in China has since deepened.<sup>8</sup> In 2018, Foxconn accounted for 4.1 percent of China's total imports and exports, with revenues topping US\$175 billion.<sup>9</sup> This stunning growth was achieved through a combination of shrewd business practices, mergers and acquisitions, patent acquisition and astute cultivation of relations with the Chinese Government. In this essay, I will gauge how the corporation's rise has affected its one million employees, the majority of whom are Chinese rural migrant workers.

### Employee Suicides in China

In May 2010, Liu Kun, Foxconn's public communications director, pointed out that the reasons for suicide were invariably multiple. Shifting the blame from the structural to the psychological, Chinese media described the generation born in the 1980s and 1990s as suffering from 'psychological problems' and personal crises related to issues such as dating and debts.<sup>10</sup> 'Given its size, the rate of self-killing at Foxconn is not necessarily far from China's relatively high average,' reported *The Guardian*, quoting the cavalier comments of company officials.<sup>11</sup> But suicide is *not* evenly distributed in any population.

Studies suggest suicides among the elderly represent more than 40 percent of Chinese suicides.<sup>12</sup> It is important to note that the Foxconn suicide cluster in 2010 involved young employees working for a single company, most of them in factories in Shenzhen. Why would suicides by these young employees living in the cities spike when Beijing-based medical professionals found that 88 percent of suicides by Chinese youth occurred in the countryside?<sup>13</sup> This concentration of suicides points to something new and important, which begs for an explanation in the context of the company, the industry and wider society.

Drawing on global supply chain analysis, migrant labour studies and understandings of Chinese authoritarianism, including the role of the only trade union legally allowed in China, this essay argues that workers' depression, and suicide in extreme cases, is connected to their working and living conditions in the broader context of the international political economy.<sup>14</sup> Foxconn's management regime—including its heavy reliance

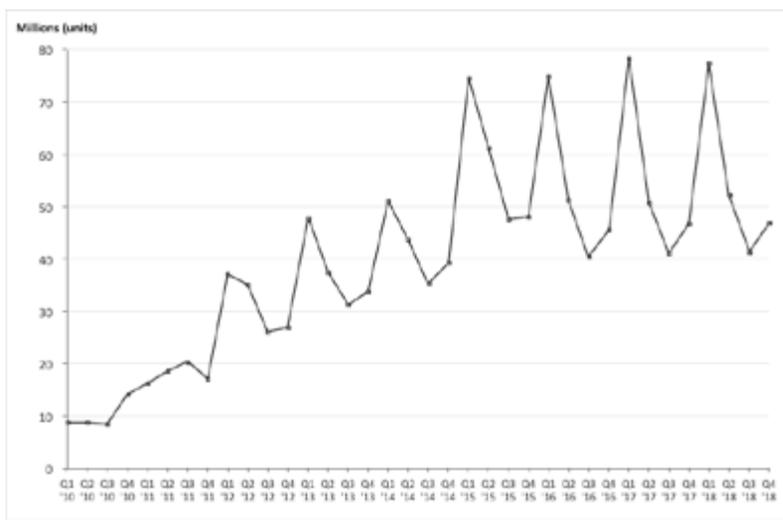
on young workers, low-cost and just-in-time assembly and ‘flexible’ wage and working hours policy—is a response to the high-pressure purchasing practices of global corporations. The fluctuation in orders, coupled with tight delivery requirements, has shifted production pressure from Apple and other multinationals to Foxconn and other suppliers in transnational manufacturing. The pressures of just-in-time production, alongside the competitiveness of the local labour market, place tremendous burdens on the assembly-line worker, who experiences a sense of time and space caving in.

### iPhone Workers

Apple’s success is intimately bound up with the production of quality products at high speed. Given its control over the commanding heights of hardware, software and design, Apple has remained in the driver’s seat in setting the terms and conditions for Foxconn and, in turn, its workers. However, while the two companies remain independent, they are inextricably linked in product development, engineering research, manufacturing processes, logistics, sales and after-sales service. By the end of the 1990s, Apple had outsourced all of its US-based manufacturing jobs and some of its research facilities overseas.<sup>15</sup> It only retained a small number of workers and staff at its Macintosh computer factory in Cork, Ireland.<sup>16</sup> This outsourcing means that Apple’s success is inseparable from the contributions of its international suppliers and their workers—above all, Foxconn and its Chinese employees.

Between 2009 and 2010, the sales of iPhones increased by 93 percent, from 20,731,000 to 39,989,000 units.<sup>17</sup> With a sudden influx of rushed orders from Apple, among other firms, Foxconn workers—including those who committed suicide—were toiling day and night. Figure 1 shows Apple’s iPhone units sold from the first quarter of fiscal year 2010 to the fourth quarter of fiscal year 2018. Clearly, the iPhone has gained increasing global popularity over time, even as Apple faces intense competition from other smartphone brands. Less noted is the fact that iPhone shipments experienced extreme spikes during the holiday seasons and close to the New Year. Being the largest Apple supplier, Foxconn needs to periodically extend working hours and adapt its workforce to these boom-and-bust trends.

Figure 1. iPhone Units Sold, 2009–18



Source: Apple's quarterly earnings reports (Form 10-Q), various years.<sup>18</sup> Apple had stopped releasing unit sales of iPhones as of fiscal year 2019, which ended on 28 September 2019.

An ever-shorter production cycle, accelerated finishing times and compulsory overtime requirements placed intense pressures on Foxconn assembly-line workers. New workers in particular were reprimanded for working 'too slowly' on the line, regardless of their efforts to keep up with the 'standard work pace'.<sup>19</sup> One woman worker recalled: 'Production output of iPhone casings was previously set at 5,120 pieces per day; but in July 2010, it was raised by 25 percent to 6,400 pieces per day. I'm completely exhausted.'<sup>20</sup>

Each iPhone is composed of more than 100 parts. The usual time for completing the Standard Operating Procedure (SOP) in assembly is twenty-five to thirty seconds. Put in context, thirty seconds is *not* long. However, the ultrathin new iPhones scratch so easily that they must be held in protective cases during assembly. The cases make workers' delicate operations even more difficult, but no extra time is given to complete each task. Electronics parts and components flow by and workers' youth is devoured by the rhythm of the machines.

## Labour Struggles and Chinese Unionism

All of this shows that high-tech gadgets such as the iPhone are *not* produced in a Silicon Valley paradise. Indeed, while designed in Silicon Valley, they are not produced there at all. They are produced in places like Foxconn—the world’s largest electronics manufacturer—which is immediately responsible for the working conditions and welfare of its employees. But Foxconn is also subject to a buyer-driven business model, which functions to assure ‘a rise in profitability for [companies that] operate at the top of industries and increasingly precarious working conditions for workers at lower levels.’<sup>21</sup> For example, in 2018, Apple generated super profits of US\$59.5 billion—more than thirteen times greater than Foxconn’s profit of US\$4.3 billion (NT\$129 billion).<sup>22</sup> How much room do suppliers have to manoeuvre to make management more equal and humane in the buyer-dominated global production chain? Despite Foxconn’s campaigns to ‘make workers happy’ with large-scale social and entertainment activities, hard targets of output and profit must still be fulfilled, and Foxconn workers still earn on average a meagre 4,000 yuan a month (less than US\$60) with overtime premiums, night-shift subsidies and full attendance allowances factored in.<sup>23</sup> In this sense, the lives of Foxconn workers are not only the direct product of policies implemented by management, but also, in the first instance, shaped by the brands whose products are being produced—that is, Apple and the other leading global buyers of electronic products.

But Apple is physically removed from the desperation and struggles on the factory floor. In the face of worker suicides, strikes and protests, Foxconn’s trade union has increasingly felt the need to address the gaps in union–worker communications. To preempt unrest, union officers offered psychological consultations and advice to workers facing family distress, financial problems and other personal problems. As early as 2013, Foxconn also proclaimed that ‘a pilot program for union leadership elections had been implemented to improve union representation, and candidates can participate in the election on a voluntary basis.’<sup>24</sup> But the selection of candidates and the election process have remained opaque and election methods have never been specified. The toothless role of Foxconn’s trade union mirrors nationwide trends of managerial control over employees and the absence of substantive worker representation at the workplace level.

Both management and the government remain vigilant to prevent the emergence of autonomous unions that might empower workers. Under the leadership of President Xi Jinping, from 2013, defiant workers, including Foxconn employees, have continued to fight to secure fundamental rights—sometimes with support structures provided by nongovernmental organisations (NGOs), progressive student groups and human rights lawyers—in the face of intensified state crackdowns on protests.<sup>25</sup> Worker-led strikes and protests at numerous Foxconn sites were part of a pattern of growing labour unrest across coastal and inland China. Should the Foxconn workers succeed in rebuilding *their* union from the bottom up, they would inspire many others to stand up to fight for a better future.

#### Towards a Global Anti-Sweatshop Campaign

Given Foxconn's global reach and in the absence of strong, independent unions in China, it is still vulnerable to transnational movements and pressure that seek to secure labour and environmental justice. In the wake of the suicides at Foxconn, there were several instances of international solidarity. Across the strait, in June 2010, Taiwanese scholars Lin Thung-hong and Yang You-ren issued an open statement with more than 300 signatories and held a press conference in Taipei to condemn Foxconn management for its brutal treatment of mainland workers. They confronted Terry Gou, the head of the Foxconn Group, as he promised to increase wages. Noting that recent pay raises at Foxconn did not address the deep-seated problems confronting workers, they concluded: 'We believe that the Foxconn suicide cluster is a bitter accusation made with eleven young lives against the inhumane, exploitative labour regime.'<sup>26</sup>

At the same time, thousands of miles away in Mexico, workers at Foxconn Guadalajara launched solidarity actions to protest labour oppression in China. Their mobilisation included creating a makeshift cemetery to symbolically allow the workers who committed suicide in China to rest in peace and draw global media attention to their plight.<sup>27</sup> They also read out a press statement in Spanish calling on not only Foxconn but also Apple, Dell, HP, Sony, Nokia and other global brands to take responsibility for the unfolding labour crisis in China.<sup>28</sup>

Meanwhile, in the United States, university students and faculty members, union organisers and labour rights groups protested outside Apple's flagship New York store to demand justice for Foxconn workers. They

decorated the surrounding sidewalk with photos of the young Foxconn victims and a funeral bouquet.<sup>29</sup> On the west coast, San Francisco's Chinese Progressive Association held a candlelight vigil for the Foxconn victims and their families. The memorial featured solemn teenagers holding signs with the names of Foxconn workers who had taken their own lives.<sup>30</sup>

On 14 June 2010, United Students Against Sweatshops, working with a nationwide network of more than 250 American college and high-school chapters, sent an open letter urging then Apple CEO Steve Jobs to 'address the problems in Shenzhen by ensuring payment of living wages, legal working hours, and democratic union elections in Foxconn supplier factories.'<sup>31</sup> The letter was copied to the Hong Kong-based NGO Students and Scholars Against Corporate Misbehaviour (SACOM), the San Francisco Chinese Progressive Alliance and the Washington, DC-based labour rights monitoring organisation Worker Rights Consortium. They received no response from Apple. Clearly, it is necessary for the campaign to continue to expand and deepen, reaching out to corporate management and concerned citizens through coordinated actions.

The year 2017 saw the launch of the campaign '#iSlaveat10—No More iSlave'.<sup>32</sup> Ten years earlier, Apple had entered the mobile phone market with the launch of the iPhone. As time passed, consumer awareness of the links between electronics manufacturing and the plight of workers has grown.<sup>33</sup> In Europe, for example, an emerging market of consumers recognises that the Fairphone, rather than the iPhone (and other brands), is a more sustainable production model that respects workers' rights.<sup>34</sup> In the wake of consumer movements focused on Nike, Adidas and other garment and footwear companies, has Apple become more sensitive to boycotts staged by civil society actors?

Although the question remains open, there are reasons to be optimistic. The gains of tech firms in transnational production chains rest squarely on the value created by workers at Foxconn and other suppliers. Besides updating its smartphone with the launch of the iPhone 11 in September 2019, Apple has been promoting its app development curriculum for high school and community college students at home and abroad. A substantial part of Apple's market is education-generated and its claims to ethical practices directly impinge on students and faculty among other consumers. Around 330 public sector organisations primarily based in Europe, including but not limited to universities, have leveraged their procurement power to require brands and their suppliers to protect and

strengthen workers' rights in their contracts.<sup>35</sup> Hopefully, this could open the way for strong pressure on the company in the many countries that constitute its global market.