



## Students & Scholars Against Corporate Misbehavior

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### Another suicide case at Foxconn reveals predicament of worker remains

12 November 2010

The latest suicide case at Foxconn reminds us the predicament of workers is not over. On 5 November, a Foxconn worker, surnamed He, 22 years old, jumped from the dormitory in Guanlan, Shenzhen. He was the 18th Foxconn workers who committed suicide this year. It is reported that the suicide case was triggered by the news that he could not benefit from the pay rise in October.

In May, the number of suicide cases at Foxconn rose to a peak. Seven suicides were recorded in Shenzhen within a month. To divert the public sentiment and pressure from labour groups and the media, Foxconn announced that the basic wage for workers in its Shenzhen factories would be raised to CNY 2,000 per month, effective October. In other words, the wage increase is directly linked to the spate of suicides.

Although it is disappointing that Foxconn denies any problem in its management methodology, SACOM has high hopes for the wage increase, especially after Foxconn trumpeted that 85% of Shenzhen workers would receive the basic wage at CNY 2,000 in early October. Regrettably, workers were only informed by Foxconn about the pay rise in November. The latest tragedy also reflects that there are failures in the communication system at Foxconn, and workers are not well-respected.

SACOM issued an investigative report on Foxconn, titled *Workers as Machines: Military Management in Foxconn* last month. However, we could not get information on the wage increase during investigation. As a follow-up, SACOM researchers visited the two major production facilities of Foxconn in Shenzhen, Longhua and Guanlan, after workers got the pay slips of October in the 2nd week of November. While it is true that CNY 800 has been added to the basic wage as appraisal allowance to some workers, SACOM questions the rationale of the appraisal allowance instead of raising the basic wage to CNY 2,000. In addition, as student interns and new workers are excluded from the pay rise plan, SACOM doubts the figure that 85% of workers at Foxconn have benefited from the wage increase is misleading. From the offsite interviews, SACOM found that over half of the interviewees were workers who have worked at Foxconn for less than 6 months. This echoes the figure from Wang Tongxin, vice chairperson of the Shenzhen Federation of Trade Unions, that only half of the workforce at Foxconn in Shenzhen has seniority of over 6 months due to the high turnover rate in the corporation.<sup>1</sup> In addition, SACOM also encountered some workers that were employed by Foxconn in other cities and deployed to work in Shenzhen. Their basic wage was in accordance with the basic wage at their original factory. “The pay rise is not relevant to me at all. I can only get CNY 950 per month. I find it is unfair, but there is nothing I can do,” a male worker from Chengdu exclaimed.

Meanwhile, the use of student workers is alarming. Even after the summer vacation, researchers can easily find student workers at Foxconn. “It is compulsory for us to come to work here [Foxconn’s Guanlan plant]. Otherwise, we cannot get the certificate from school,” a male student from a vocational school in Henan Province complained. “There are 3,000-4,000 students from our school

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<sup>1</sup> “Let Labourer Work with Dignity”, *Xinhua Net*, 6 June 2010.

[http://big5.xinhuanet.com/gate/big5/news.xinhuanet.com/politics/2010-06/06/c\\_12188361.htm](http://big5.xinhuanet.com/gate/big5/news.xinhuanet.com/politics/2010-06/06/c_12188361.htm) (in Chinese).



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coming here,” he added. Another male student also from Henan Province who studied pharmacy said he and other students supposed to have placement at pharmaceutical factory. Unfortunately, the plan was postponed for 6 months as they were forced to work at Foxconn. Owing to the high percentage of new workers and student workers observed, SACOM demands Foxconn to give details of how it concluded that 85% of Shenzhen workers can benefit from the pay rise.

Some of the departments have introduced 3 shifts per day since October. This means there will not be overtime work for some of the workers. Some workers only who have a monthly basic wage of CNY 1,200 worry about how can they survive with the amount. Furthermore, some workers expressed that the wage increase implies a higher productivity on shop floor. A worker at Guanlan plant who produced iPhone case said, “The production target used to be 5,120 pieces per day. Currently, the daily production target becomes 6,400. Moreover, prior to the wage increase, we used to have 3 workers operated 2 machines. Each worker has to take care of one machine now.” The increase of workload makes both frontline workers and frontline management more stressful.

SACOM welcomes the pay rise at Foxconn, but we demand it must apply to all workers, including workers in other cities and student workers. Again, SACOM requests Foxconn to reveal the details of the October wage increase as soon as possible. Equally important, Foxconn must reform its management methodology and review its communication system in the company to prevent further tragedy from happening.

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