

Labour report alleges violations by China iPhone supplier

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Foxconn is based in Taipei

Apple and its supplier Foxconn admitted they have been using too many temporary workers to staff an iPhone factory in central China, as a labour rights group accused them Monday of a number of workers rights violations.



China Labor Watch said it had its investigators working inside the factory in the central Chinese city of Zhengzhou—which makes around half of the iPhones produced worldwide—assessing working conditions inside the plant run by the Taiwanese electronics company Foxconn.

The CLW report claims the Zhengzhou Foxconn factory is trying to save money by hiring "dispatch" or <u>temporary workers</u>, hired mostly in peak seasons and offered bonuses as an incentive, and who they don't have to pay compensation to when their contract ends.

But the US-based rights group CLW says many workers were "cheated out of their bonuses".

In August 2019 as many as half of the workforce were dispatch workers, says CLW, which exceeds the legal maximum in China of 10 percent.

CLW also claims a large number of high school students are working at Zhengzhou Foxconn, with working conditions the same as regular workers, including hours of overtime.

"Apple and Foxconn know that the issue with dispatch workers is in violation of <u>labour</u> laws, but because it is profitable to hire dispatch workers, they haven't addressed the issue," said Li Qiang, executive director of China Labor Watch.

However, US tech giant and iPhone creator Apple said it had looked into the claims made in the report and found "most of the allegations are false".

"We have confirmed all workers are being compensated appropriately, including any overtime wages and bonuses, all overtime work was voluntary and there was no evidence of forced labour," Apple said in a statement.



"We did find during our investigation that the percentage of dispatch workers exceeded our standards and we are working closely with Foxconn to resolve this issue."

In a separate statement Foxconn said a review of operations in Zhengzhou had identified "some workforce compliance issues", which it was addressing.

Foxconn said it had found that the number of temporary workers was "not consistent with company guidelines."

"At no time did we find any evidence of forced labour and we can confirm that this facility currently has no interns working overtime," the statement said.

The CLW report also says "verbal abuse is fairly common at the production site", claims the report, which also says that while workplace injuries are rare, managers will "often trick workers into hiding the truth" when accidents do happen.

Zhengzhou, the capital of Henan province, is a major source of factory labour in China and has been a Foxconn manufacturing hub for years.

Foxconn employs more than one million workers in China and is the largest private employer in the country where cheap labour helped fuel the company's meteoric rise.

It came under the spotlight several years ago following allegations of employee suicides, labour unrest and the use of underage interns at its factories.

In August Foxconn admitted it had found cases of employed Chinese high school students in illegal overtime work making the Amazon Alexa



devices at its factory in the southern city of Hengyang.

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