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Fair Labor Association gives Foxconn and Apple undue credit for labor rights progress

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On August 21, 2012, the Fair Labor Association (FLA) released an interim assessment of the progress made by Apple’s largest supplier, Foxconn, in improving conditions for its factory workers in China. The assessment covered three Foxconn factories manufacturing Apple products in China: the Guanlan and Longhua factories in Shenzhen and the factory in Chengdu. In the report, *Foxconn Verification Status Report*, the FLA concludes that things are going very well:

Foxconn and Apple are carrying out the robust remediation plan developed following FLA’s investigation, published on March 28, 2012. Over the past three months, steady progress has been made at the three facilities...and all remediation items due within the timeframe have been completed, with others ahead of schedule. (FLA 2012d)¹

This briefing paper analyzes the FLA assessment and subsequent correspondence with the FLA’s president. We also contrast the FLA’s findings with recent independent assessments of working conditions at Foxconn and Apple’s

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other suppliers in China, as well as with media reports regarding severe labor unrest and Foxconn's treatment of workers during iPhone 5 production.

We conclude that the FLA's rosy view of developments in Apple's supply chain is unfounded, for five reasons:

- Foxconn receives a perfect completion score from the FLA only because the FLA gives Foxconn credit for reforms that are either incomplete or purely symbolic. For instance, the FLA grants Foxconn full credit for increasing the number of workers on a 32-person union leadership committee from two to "at least three"; the other 29 members can still be factory managers.
- Modest progress reported by the FLA in the early summer of 2012 in important areas such as excessive overtime and the use of coerced student labor was not sustained by at least some Foxconn factories by August/September, as labor practices predictably deteriorated when Foxconn ramped up production to meet iPhone 5 demand.
- One essential promise made by the FLA and Apple—that Foxconn workers would receive back pay for all cases in which overtime work had been illegally undercompensated—was broken, and the FLA's justification for this breach is wholly unpersuasive.
- The most fundamental remedies necessary to address Foxconn's ongoing violation of overtime laws, including ending violations of local law and ensuring that pay rates are increased so that there is no net loss of compensation as hours are reduced, have not occurred, and their completion is not even scheduled until July 2013. With fundamental changes in labor practices still only a promise, and still months away, it is clearly premature to express optimism about the nature of reforms.
- Independent reports paint a picture that contrasts sharply with the FLA's. The findings of a September 2012 report by the independent research group Stu-

dents and Scholars Against Corporate Misbehaviour (SACOM),² based in Hong Kong, directly contradict key elements of the FLA report. Moreover, in September and October, Chinese media and major U.S. news outlets reported several disturbing developments, some of which are in the same areas where the FLA reports progress, including continued use of underage labor by Foxconn, involving workers as young as 14; forced overtime in the production of the iPhone 5, which meant denial of leave for workers during a major Chinese national holiday that affords a rare opportunity for workers to return home to visit their families; and large-scale labor unrest and protests at two Foxconn factories.

It is important to note that the FLA report focuses on Foxconn alone. Reforms by Foxconn are essential, but they are hardly sufficient. A study by another independent group, China Labor Watch, released in late June, found that the deplorable working conditions found at Foxconn factories also prevail, sometimes in more severe form, at other Apple suppliers in China. Apple must ensure reforms by all of its suppliers before laudatory assessments of its labor practices will be justified.

It would be inaccurate to state that there have been no changes at Foxconn. For example, there appears to have been progress, albeit only partial and only at some Foxconn facilities, in providing compensation for certain overtime hours and also in reducing work hours overall. Relative to the size and scope of the labor abuses that have been exposed at Foxconn, however, these modest improvements are of limited significance and do not come close to establishing labor conditions that are consistent with applicable law and international labor rights norms.

The following sections address in detail the shortcomings in the FLA's assessment and contrast its findings with those of independent investigators and media reports.

'Perfect score' despite incomplete or purely symbolic improvements in essential areas

Meaningless changes in freedom of association are considered remedies

In a March 2012 press release (FLA 2012b), the FLA claimed it secured commitments to “establish a genuine voice for workers” at the Foxconn factories. Such a voice has been altogether lacking at these factories, as at virtually all factories in China; for example, so-called union leadership committees, theoretically representing the interests of workers, consist almost completely of management staff.

Here, though, the FLA applauds Foxconn for steps that do not represent progress. At the Guanlan factory, for example, the FLA (2012e) credits Foxconn for changing the composition of its union committee from 40 managerial staff and two workers (nominated by management) to 30 management representatives and 20 workers (who will purportedly be elected by workers starting in 2014). In other words, the FLA gives Foxconn credit for, and treats as an important step forward, a reform that would leave management in full control of the *union* leadership committee.

The credited reform at the Longhua factory would be even less meaningful. The current union leadership committee has two workers out of 32 members, the rest being managers. Under the “reform” for which the FLA (2012f) credits Foxconn and Apple, the ratio will be improved to at least three workers versus 29 managers.

In the absence of other avenues for defending their rights and protesting abusive conditions, it is not surprising that worker grievances are being expressed in more combative fashion. A September 2012 investigative report by SACOM (2012b) of Foxconn factories in Zhengzhou that produce iPhones found that workers have responded to their grievances with a series of strikes. And according to

the workers interviewed by SACOM, “dispatched workers” who went on strike on September 5 were simply dismissed by Foxconn.

The FLA audits and progress reports did not focus on the Zhengzhou factories where SACOM interviewed workers; however, the FLA has repeatedly asserted that Foxconn is implementing FLA-recommended reforms at all of its facilities in China. For example, the FLA’s March press release (2012b) says the implementation of reforms could benefit “more than 1.2 million Foxconn employees” (that is, all its employees in China). Thus, evidence from Zhengzhou and other major sites of Foxconn’s Apple production are relevant to any assessment of Foxconn’s labor practices.

The degree to which worker mistreatment played a role in the widely reported late September unrest at the dormitory of Foxconn’s Taiyuan, China, plant is unclear. This riot of 2,000 workers was put down by 5,000 police officers. According to a Reuters report (Duncan and Jim 2012), Foxconn characterized the event as “a personal dispute in a dormitory that erupted into a mass brawl,” but Internet postings by workers “accused factory guards of provoking the trouble by beating up workers.” At minimum, the severity of the conflict demands that an independent investigation be undertaken, and it should give anyone pause before concluding that workers have been provided meaningful avenues to express their concerns and have them addressed.

Workers still would not be paid for all their work hours

In March, the FLA (2012c) reported that Foxconn would, as part of its corrective action plan, henceforth “ensure full payment of all hours of work including overtime (and fractions thereof)....” The purpose of this remedial action was to eliminate the common Foxconn management practice of illegally underpaying workers by paying those workers performing what the FLA calls “unscheduled overtime” in 30-minute increments, with no pay

provided until and unless workers reach the 30-minute threshold on a given day. Thus, the FLA (2012a) explained that “29 minutes of overtime work results in no pay and 58 minutes results in only one unit of overtime pay.” Unscheduled overtime could apply to the 14 percent of workers considered “indirect”; these workers “include quality control staff, mechanics, maintenance staff, guards, and so on.”³

Here some progress was indeed made, but the FLA gave Foxconn full credit for a half measure. Rather than eliminating the practice of paying workers nothing until they have exceeded a threshold of overtime minutes, Foxconn merely reduced the threshold—from 30 minutes to 15. As the appendix covering conditions at the Longhua factory (FLA 2012f) states: “Based on workers’ hours and payment records, working periods of less than 15 minutes were not paid, and working periods exceeding 15 but less than 30 minutes were paid as 15 minutes.” The remedial action on this issue is then confirmed to be complete. The report also says that this is now the policy at all of the factories. It should be noted that this change is actually consistent with the FLA’s recommendation, made at the time of its initial factory audits in March (2012a); however, this recommendation leaves in place a system that denies workers pay for time they have worked, in violation of applicable law and any reasonable standard of fairness.

Under this policy, many workers will continue to lose significant amounts of pay. For example, a worker who is asked on a regular basis to stay for 25 minutes after work will lose 10 minutes of pay per day, an hour’s pay per six-day workweek, and 50 hours of pay over the course of a year.

Surveys and meetings are credited as reforms

The FLA repeatedly gives Foxconn credit for establishing surveys of workers or holding new meetings to receive their input. Such mechanisms are only meaningful,

however, if this input is taken seriously, and in that regard the assessment is silent. For example, the FLA progress report (2012e) refers to factory health and safety committee meetings that have occurred and to the presence of worker representatives on those committees. But the report provides no information on the level of active worker participation in these meetings, what specific concerns the workers expressed, what proposals workers made for improvements, and what subsequent actions management took, based specifically on this worker input, to improve health and safety practices and procedures. Absent evidence that these meetings are having an actual impact, and given the pattern of management practices exhibited by Foxconn over the years, there is no basis for concluding that these meetings are meaningful tools for workers to influence labor practices.

Reported progress at Foxconn plants in early summer has not been sustained

The FLA report covered a period of “non-peak” production, in June and early July of this year, when it was presumably easier for Foxconn to adhere to improved labor practices, particularly those related to hours of work. The evidence suggests that, even if those improved practices did prevail during the period analyzed by the FLA, they were not sustained as iPhone 5 production intensified.

Several examples of this phenomenon stand out. For instance, the FLA asserted (2012d; 2012e) that all Foxconn employees were working no more than 60 hours per week, implying at most slightly more than 80 hours per month in overtime (a level that is still far above China’s legal maximum of 36 overtime hours per month). SACOM’s September investigation of Foxconn’s Zhengzhou factories found otherwise. The group reports (2012b) that as iPhone production reached peak levels, overtime hours on some iPhone production lines reached 100 hours per month. SACOM also found that many workers were getting only one day off every 13 days;

Chinese law requires at least one day off per week. This denial of rest days also contradicts what the FLA reported finding in early summer 2012.

The taxing physical work performed by Foxconn production workers makes regular ergonomic breaks essential to protect workers' health. The FLA progress report stated that Foxconn now ensures that all workers get ergonomic breaks during the day, but SACOM found that these breaks were not being provided.

The FLA report also said that Foxconn established a new policy to ensure that meetings and training would occur during regular work hours, and thus be paid, and to pay overtime if training has to occur outside regular hours (2012e). This new policy is important since the FLA found in March that Foxconn regularly—and illegally—failed to pay employees for pre- and post-shift meetings and for time spent in mandatory trainings. SACOM found that at least in Zhengzhou, this new group practice has not been implemented; workers there have to attend the daily work assembly meeting without payment. Also, on some production lines, workers must reach their work quota before they can stop working, even if that means working overtime without pay.

The FLA (2012d) also claimed “significant improvements were found regarding Foxconn’s internship program” and that Foxconn’s student interns now “understand that they are free to terminate the internship if and when they wish.” These findings do not square with information, first reported by the Chinese media, that to make up for a worker shortfall, students in China have been coerced to work on iPhone 5 production. According to a Sept. 6, 2012, report in the *Shanghai Daily*:

Thousands of students in an east China city are being forced to work at a Foxconn plant after classes were suspended at the beginning of the new semester, it has been revealed.

Students from Huai’an in Jiangsu Province were driven to a factory in the city run by Taiwan’s Foxconn Technology Company after the plant couldn’t find sufficient workers for the production of Apple’s much-anticipated iPhone 5, they said in online posts. (ShanghaiDaily.com 2012)

China National Radio reported similar findings (an unofficial English translation of this story is available upon request), and a *New York Times* report (Barboza and Duhigg 2012) covered this as well, noting the context that “[w]orker advocates say Foxconn is under intense pressure at critical moments—like leading up to the release of a new product, like the iPhone 5—to fill huge orders quickly.” The *Shanghai Daily* story also revealed that the students were working six days a week, 12 hours a day. This is further confirmation that as iPhone 5 production ramped up, workweeks at Foxconn exceeded the 60-hour weekly limit the FLA claims has been achieved.

Retroactive pay promise has been broken

When the FLA reported in March that Foxconn had been systematically failing to pay workers for all their overtime hours, in violation of Chinese law, the organization simultaneously reported that Apple and Foxconn had pledged to provide back pay to all workers affected. The FLA publicly stated (2012b): “...FLA secured agreement from Foxconn and Apple to retroactively pay any worker due unpaid overtime. The companies are currently conducting an audit to determine the payments due....” This was widely reported by media outlets.

The sums of money involved are meaningful to the poorly paid workers at Foxconn who make Apple products. Foxconn’s failure to pay for all overtime hours was reported by independent investigators as early as 2009 (FinnWatch, SACOM, and SOMO 2009; SACOM 2010). As already noted, during its March 2012 audits, the FLA confirmed that Foxconn frequently failed to pay employees for pre- and post-shift meetings, for time spent in mandatory

trainings, and for as much as 30 minutes of “unscheduled overtime” on any given day. The first two practices have affected a large percentage of Foxconn workers; the last, according to the FLA, potentially affected 14 percent of the workforce (the so-called indirect workers).

The FLA did not detail how many workers were affected and how much they were owed. Since these practices went on for at least several years, since there are high turnover rates at Foxconn, and since violations apparently occurred frequently, the company’s illegal denial of overtime pay likely touched hundreds of thousands of current and former workers and involved tens of millions of dollars, possibly more.

The crucial and highly publicized commitment by Apple and Foxconn to provide back pay to all of these workers went unmentioned in the FLA’s progress report, prompting the Worker Rights Consortium to write the FLA, inquiring why the issue was disregarded. The FLA confirmed in its reply that, contrary to the promise it made on behalf of Apple and Foxconn in March, no back pay has been provided and none is forthcoming. (Copies of the exchange are available from the Worker Rights Consortium.)

The FLA defended the failure of Apple and Foxconn to keep their back pay promise on two grounds: (1) it is “not possible” to provide back pay for uncompensated pre- and post-shift meetings because Foxconn did not keep records of the time workers spent in these meetings; and (2) the FLA itself did not find any workers who were denied pay for up to 30 minutes of unscheduled overtime. The FLA provided no explanation as to why back pay would not be provided for the third category of overtime pay violations—the failure to compensate workers for time spent in mandatory trainings.

The first justification is without merit. Foxconn’s failure to keep proper records of workers’ hours (itself a violation of official FLA standards) is the fault of Foxconn, not the workers, and the latter should not be penalized for the

negligence or malfeasance of the former. Where proper records have not been kept by an employer, back pay can be estimated based on worker testimony as to the duration and frequency of the uncompensated work. The FLA’s position that Foxconn should be absolved of financial responsibility because of its own failure to maintain proper records is an odd position for a labor rights organization to take; regardless, Foxconn’s failure to maintain records is not a plausible justification for denying back pay legally owed, and publicly promised, to workers.

The second justification provided by the FLA, that it did not find, during its audits, cases of workers underpaid due to the 30-minute rule, has no bearing on the issue. As mentioned, the FLA (2012b) stated in March, “The companies [Apple and Foxconn] are currently conducting an audit to determine the payments due....” There was no mention of an FLA role in identifying the affected workers, and there is no indication that the FLA conducted any sort of comprehensive review. Thus, what the FLA did or did not find is irrelevant.

What is relevant is the March FLA announcement that Apple and Foxconn were conducting an audit to identify “any worker” affected by this illegal policy. Apparently, Apple and Foxconn decided at some point to renege on this commitment. What is also relevant is that, as the FLA has reported, Foxconn had a longstanding policy of not paying up to 30 minutes of “unscheduled” overtime, and 14 percent of Foxconn workers were subject to this policy; with just the three factories examined by the FLA employing nearly 300,000 workers (FLA 2012a) dedicated to Apple products, it is therefore virtually certain that tens of thousands of current and former workers are owed back pay for unscheduled overtime at these factories alone.

The promise of back pay by Apple and Foxconn, made public in March 2012 by the FLA, was not only one of the most significant reform pledges made by the companies; it was one of the most straightforward. The companies promised that they would identify all workers to whom money is owed and then pay them. Unlike issues

that are harder to quantify—for example, the degree to which health and safety committee meetings actually serve as a meaningful vehicle for workers to influence factory practices—the back pay issue is one where progress can be measured very easily. Apple and Foxconn were either going to fulfill their back pay promise or break it. They broke it. Hopefully, they will reverse course, a result that will be more likely if the FLA does not continue to defend the companies’ position.

Fundamental hour/pay remedies are not scheduled until July 2013

As previously mentioned, the March FLA report found that Foxconn workers frequently worked more than 60 hours a week, which means more than 80 overtime hours per month, far in excess of the legal limit of 36 per month. Compliance with this legal limit would require an average workweek of no more than 49 hours. The FLA progress report states that Foxconn is now meeting the interim goal, set by Apple, of limiting the workweek of all its employees to 60 hours (though, as discussed previously, independent groups and media investigations found that this reduced work schedule was dropped for at least some iPhone workers as production of the phone ramped up). But even if this standard is consistently followed, the standard itself is illegal, subjecting many workers to more than twice the maximum overtime hours allowed by Chinese law.

The FLA says that Apple and Foxconn should not be expected to achieve compliance with the law until July 2013. It is unclear on what basis the FLA deems it acceptable for Apple and Foxconn to continue to break the law on a massive scale for more than 15 months from the date of the FLA’s March 2012 audits, particularly in light of the fact that both Apple and Foxconn have been promising to stop this behavior since 2006 (Apple 2006). To be sure, if Foxconn stops breaking the law now, this may cause substantial inconvenience for Apple in the form of delivery delays; however, there is no basis in Chinese

law or any applicable code of conduct for temporarily exempting companies from their labor rights obligations based on convenience. Nor does the FLA recommend that Foxconn, or Apple, be penalized in any way, or workers be compensated in any way, for the companies’ past and ongoing disregard for laws limiting the number of work hours—laws whose purpose, it is important to remember, are to protect workers from the physical and psychological damage that excessive work hours can cause.

Moreover, the FLA’s interim report did not assess progress toward meeting the public commitment to protect the pay of workers when their overtime hours are cut. In March the FLA (2012b) stated, “More importantly, while employees will work fewer hours, Foxconn has agreed to develop a compensation package that protects workers from losing income due to reduced overtime.” The FLA reports the reduction in overtime hours to no more than 60 hours a week but does not mention whether the hourly pay of these workers increased to offset the reduction in work hours, thereby protecting their monthly pay levels. Instead, the FLA (2012e) states that “addressing compensation given the reduced hours” is also a goal to be achieved by July 2013. Meanwhile, in May SACOM (2012a) found take-home pay has *fallen* due to the cut in overtime hours. Further, both SACOM and China Labor Watch have reported that, to the degree work hours have been reduced, the intensity of work has increased; that is, workers are expected to produce the same amount of goods in fewer hours (SACOM 2012a; CLW 2012b).

Independent investigations and press reports paint a different picture

In May 2012 SACOM released a report, based on research conducted over a brief period shortly after the FLA’s investigative report came out in late March, on working conditions at Foxconn. The report covered some of the same facilities (Guanlan and Longhua) as the FLA

audit. Beyond the already-mentioned reduction in take-home pay and the increased intensity of work in response to the reduction in overtime hours, SACOM found that “[t]he frontline management continue to impose humiliating disciplinary measures on workers, including forcing workers to write confession letters, reading out these confession letters, cleaning the toilets and manual labouring work.” SACOM also reported that “workers do not know what kinds of chemicals they are using” (2012a).

SACOM’s September report, covering a more recent and more intense production period than that covered by the FLA report, is even more troubling. As discussed, the SACOM report (2012b) indicates that in areas such as hours of overtime work, payment for all hours worked, and ergonomic breaks, the progress reported by the FLA does not accurately describe working conditions in Foxconn’s Zhengzhou operations. (As noted, while Zhengzhou was not directly examined by the FLA, the FLA has repeatedly asserted that reforms would be implemented by Foxconn in all of its operations in China.)

SACOM also found that dehumanizing disciplinary practices, such as the use of confession letters, continue, and that, as noted, a series of strikes have occurred, demonstrating ongoing worker discontent. One cause of this discontent, according to SACOM, is arbitrary relocation of the workforce: In the rush to complete iPhone 5 orders, Foxconn is relocating workers from other provinces to the Zhengzhou operation. Workers may not have a choice in these transfers, do not always know how long they are going to stay in Zhengzhou, and, when they *are* given a schedule, sometimes have to stay long past the promised time.

SACOM’s findings have been bolstered in recent weeks by a series of reports in Chinese and U.S. media concerning incidents at several Foxconn production facilities.

A new finding in early October, widely cited in U.S. news outlets and based on research by China Labor Watch (2012d), revealed the use of student interns as young as

14 at Foxconn’s factory in Yantai, undercutting the FLA’s findings. Foxconn has admitted this use of child labor. As the Associated Press reported on October 16 (McDonald 2012), “The Fair Labor Association, which was hired by Apple to audit working conditions at Foxconn factories, said in August that improvements it recommended in March were being carried out ahead of schedule. That included verifying the ages of student interns.” If Foxconn is verifying the ages of student interns at some factories, it has clearly failed to do so at Yantai. Notably, Foxconn issued an unusual statement in response to the reports in which it denied that any Apple products are being made in Yantai; normally, Foxconn refuses any public comment concerning which customers’ goods are produced at a given factory. There is no independent information available as to whether or not Apple products are in fact produced at Yantai.

China Labor Watch (CLW) also reported large-scale labor unrest at the Foxconn Zhengzhou factory on October 5, 2012. CLW (2012c) said that a strike involving 3,000 to 4,000 workers occurred there, driven by excessive quality control demands related to iPhone 5 production and the denial of vacation time for a national holiday. A precise picture of what actually occurred is difficult to obtain, but on October 14 the widely circulated *China Business Journal* (2012) published a story consistent with CLW’s claims. CLW translated this story, which stated: “On October 5th, a massive strike of workers occurred at Zhengzhou Foxconn...there were several hundred workers directly involved with the conflict and another three to four thousand workers insisted not showing up for work as a protest. The whole strike lasted almost two days.”

This strike comes on top of the already-discussed strikes documented by SACOM as well as the riot that occurred at the dormitory of the Foxconn Taiyuan plant. All these indications of labor unrest occurred in the last few months in Foxconn plants making Apple products, casting substantial doubt on the picture of major labor rights progress painted by the FLA interim report.

Reforms need to occur throughout Apple's supply chain

Improving working conditions at Foxconn, Apple's leading supplier, would clearly be important to hundreds of thousands of workers, but many other workers in Apple's supply chain could remain unaffected.

In June 2012, China Labor Watch released a new report (2012a) investigating working conditions at 10 of Apple's suppliers in China, including the Foxconn facility in Shenzhen. CLW found that deplorable labor practices are not just characteristic of Foxconn factories but exist in factories throughout Apple's supply chain. The report documents, for instance, that employees in most of the factories typically work 11 hours a day and can only take one day off a month (low wage levels and management pressure compel them to work such hours); that employee dorms are frequently overcrowded, dirty, and lacking in facilities; and that there is little ability for workers at Apple suppliers to push for reasonable working conditions on their own.

In fact, CLW found that as bad as working conditions at Foxconn are, they are even worse at some of the other factories in China that supply Apple. It should thus be unsurprising that on Sept. 29 there was another tragic suicide at an Apple supplier (Tsukayama 2012). The supplier is Foxlink, which is owned by the brother of Foxconn's CEO. (The family of the worker has reported that the suicide was a response to harsh working conditions; Foxlink [Kan 2012] has branded the worker a drug addict.)

Further, the FLA reports on only some of the Foxconn factories. Note that the recent riot, as well as the SACOM September study finding systematic and continued labor rights violations, occurred in Foxconn factories not covered by the FLA's progress report.

It is incumbent upon Apple to ensure needed reforms are implemented in all its supplier factories in China, and not at only some of the Foxconn factories.

Protecting workers, or Apple's reputation?

Ever since the FLA released its investigative report of Foxconn in late March, with Apple agreeing to advance its remedies, the central question has been: Will Foxconn and Apple implement just enough reform to rehabilitate Apple's public image—or will labor practices be overhauled in a manner that decisively advances working conditions, remedies past abuses, and brings Foxconn into compliance with the law?

The theme of the FLA's progress report is that a genuine transformation is underway, with Foxconn and Apple

implementing a broad range of meaningful reforms on an expedited basis and without a single instance in which the companies have come up short relative to their commitments.

But analysis of the FLA's findings and information from independent sources make clear that the broad portrait the FLA paints bears little resemblance to ongoing realities at Foxconn. In contrast to the FLA's glowing assessment, improvements in working conditions at Foxconn have in most cases been modest, fleeting, or purely symbolic, while some key reform pledges have been broken outright.

In closing, it must be emphasized that it is Apple that bears ultimate responsibility for the way the workers who make its products are treated. This responsibility is recognized by the FLA process itself, with the FLA's March report (2012a) noting, "As an affiliate of the Fair Labor Association, Apple has committed to ensuring that the FLA code standards are upheld in its supply chain."

Apple's responsibility is underscored by the reality that the company has profited greatly from a production system at Foxconn that has long been defined by low wages and harsh and illegal treatment of workers—a system that has in many ways been necessitated by the price pressures and production demands Apple imposes, especially when it is rolling out new products. As SACOM's most recent report (2012b) observes:

It is ironic that Apple declared to the world that it would ensure that working hours and other working conditions would be improved, but would then push its major supplier Foxconn, and consequently its workers, to meet product schedules inconsistent with such improvements.

Apple has the power to bring an end to severe and chronic labor rights abuses in its supply chain. As a former Apple executive told the *New York Times* (Duhigg and Barboza 2012) early this year:

We've known about labor abuses in some factories for four years, and they're still going on....Why? Because the system works for us. Suppliers would change everything tomorrow if Apple told them they didn't have another choice....If half of iPhones were malfunctioning, do you think Apple would let it go on for four years?

So the greatest responsibility for the lack of progress documented herein lies not with Foxconn or the FLA, but with Apple, the company with the largest market value and the most coveted consumer products in the world. The paramount issue remains whether Apple will ever choose to

apply its legendary business prowess and spirit of innovation, and its enormous financial clout, to the goal of protecting the basic human rights of the people who make those products.

—*Scott Nova* is executive director of the Worker Rights Consortium, a nonprofit labor rights-monitoring organization. WRC conducts independent investigations of working conditions in factories around the world. Its mission is to combat sweatshops and protect the rights of workers who make apparel and other products.

—*Isaac Shapiro* joined EPI in 2011 to direct work examining the economic effects of government regulation. He previously worked for nearly two decades at the Center on Budget and Policy Priorities, where he founded the center's International Budget Project; as a senior adviser at the Save Darfur Coalition; as special assistant to U.S. Secretary of Labor Robert Reich; and for a member of Congress.

Endnotes

1. The interim FLA report (FLA 2012d) relied on information collected from June 25, 2012, to July 6, 2012. Its aim was to assess implementation progress made since the remediation plans for these factories were established by the FLA in late March. These remediation plans set deadlines for reforms over the period from April 1, 2012, through July 1, 2013.
2. SACOM has been a vital source of information on working conditions at Foxconn and in China's electronics sector more broadly. Its research, which draws heavily on interviews with workers, documented violations at Foxconn years before the FLA commenced auditing at Apple's behest; many of the FLA's findings corroborated what SACOM had long been reporting. Of particular note, SACOM identified the combustion hazards at Foxconn's Chengdu production facility related to aluminum dust and warned Apple of the risks. Apple took no action until the massive aluminum dust explosion at Chengdu that killed four workers and injured dozens.
3. This description comes from a letter/email sent by FLA President and CEO Aurret van Heerden to the Worker Rights

Consortium on September 17, 2012. A copy is available upon request.

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