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What is This?
Global Capital, the State, and Chinese Workers: The Foxconn Experience

Pun Ngai1 and Jenny Chan2

Abstract

In 2010, a startling 18 young migrant workers attempted suicide at Foxconn Technology Group production facilities in China. This article looks into the development of the Foxconn Corporation to understand the advent of capital expansion and its impact on frontline workers’ lives in China. It also provides an account of how the state facilitates Foxconn’s production expansion as a form of monopoly capital. Foxconn stands out as a new phenomenon of capital expansion because of the incomparable speed and scale of its capital accumulation in all regions of China. This article explores how the workers at Foxconn, the world’s largest electronics manufacturer, have been subjected to work pressure and desperation that might lead to suicides on the one hand but also open up daily and collective resistance on the other hand.

Keywords

global capital, Chinese state, student workers, rural migrant workers, Foxconn Technology Group

When Time magazine nominated workers in China as the runners-up for the 2009 Person of the Year, the editor commented that Chinese workers have brightened the future of humanity by “leading the world to economic...”

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recovery” (Time, Dec. 16, 2009). However, the new generation of Chinese migrant workers—those born in the reform era in the post-1978 cohort—seems to perceive themselves as losing their futures. In 2010, a startling eighteen young migrant workers attempted suicide at the production facilities of Taiwanese-owned Foxconn Technology Group (富士康科技集团); fourteen died, while four survived with injuries (SACOM, 2010, 2011). All were between 17 and 25 years old—in the prime of youth. Chinese media has dubbed the tragedy the “suicide express” (死亡列车) (Zhongguo jingji wang, April 9, 2010). This article assesses the changing pattern of global capital accumulation now playing out in China in order to understand the consequences for workers of the distinctive character of corporate domination with the support of the state.

This article represents the collective efforts of Foxconn Research Group, an independent team consisting of teachers and students from mainland China, Hong Kong, and Taiwan joined together to understand the Foxconn experience and its impact on young migrant workers’ lives. In the first phase, between June and December 2010, we collected 1,736 valid questionnaires through snowball sampling methods and conducted worker interviews off-site in major Foxconn factory areas in nine cities: Shenzhen, Wuhan, Kunshan, Shanghai, Hangzhou, Nanjing, Tianjin, Langfang, and Taiyuan. In the second phase, we documented the labor conditions at two new Foxconn factories in Chengdu and Chongqing municipalities in March 2011 and revisited the Shenzhen industrial community from mid-October to November 2011 (see the appendix for the surveyed Foxconn factories in eleven cities in South, East, North, Central, and West China).

Existing literature has argued that China’s rise is a state-driven globalization process in which the state has facilitated export-led growth relying primarily on joint-venture and wholly owned foreign capital (Huang, 2003; Guthrie, 2009; Gallagher, 2005). China’s heavy reliance on foreign direct investment during the past decades, far more extreme than in other East Asian countries during their industrial take-off, has brought about not only high-speed economic growth but has also widened labor and social inequality and led to environmental deterioration (Solinger, 2009; Chan, 2011; Dahlman, 2011). The peculiar proletarianization process of Chinese internal migrant workers helps lower not only production costs but also social reproduction costs in host cities (Pun and Lu, 2010). Like other foreign-invested companies in China, Foxconn has largely benefited from the state-driven globalization process and the unique process of proletarianization since it has enjoyed preferential policies offered by local governments and cheap production and
labor costs when it moved its production base from Taiwan to mainland China in the late 1980s.

Against this common structural background, our research shows that the corporate growth of Foxconn in China demonstrates a new phenomenon of capital expansion in terms of the size of workforces, the scale of factory compounds, and the number of factories dotted over the map of the country. Having a total workforce of over one million in China, Foxconn has grown into a mega world workshop, with the smallest single factory compounds employing some 20,000 to the larger ones with an extraordinary number of over 400,000. Foxconn has become a monopoly capital firm and it now dominates the global market by producing half of the world’s electronic products. The astonishing speed of capital expansion across geographic space was achieved through an alliance with the Chinese state, especially at the local level. In particular, local governments compete to get Foxconn to set up new factory compounds in their territories so as to boost GDP growth under their jurisdiction, to the extent that they ignore the enforcement of labor laws and hence the protection of workers. Foxconn’s growth has been facilitated by the Chinese state through the provision of extensive land, infrastructural support, and a supply of labor, resulting in a distinctive management model and a global factory regime, leading to worker grievances and feelings of desperation.

The Foxconn model or experience refines the argument that most of the foreign-invested companies in China are small- and medium-sized enterprises (Huang, 2003). It also challenges the belief that by deepening the economic reform and by furthering the influx of foreign capital into China, the basis for the institutionalization of legal protections for workers would be strengthened (Guthrie, 2009; Gallagher, 2005; Lee, 2007). The Foxconn experience points in the opposite direction. As migrant workers, Foxconn workers enjoy little labor protection in the society at large and suffer from a heightened work pressure and desperation in the workplace that lead to suicides on the one hand but also daily and collective resistance on the other hand.

**Foxconn: The Electronics Workshop of the World**

Hon Hai Precision Industry Company, more commonly known by its trade name Foxconn, was founded in Taipei in 1974. The name Foxconn alludes to the corporation’s ability to produce electronic connectors at nimble fox-like speed. Foxconn is currently the world’s largest contract manufacturer of electronics, providing “6C” products—computers (laptops, desktops, tablet
personal computers such as iPads), communications equipment (iPhones), consumer products (digital music players, cameras, game consoles, TVs), car parts (automotive electronics), content (e-book readers such as Kindle), and health care products (Foxconn Technology Group, 2010: 8). The corporate annual revenue reached an all-time high at 2.9972 trillion Taiwan New Dollars (approximately US$101.4 billion) for the year 2010, with a year-on-year increase of 53 percent (Foxconn Technology Group, 2011: 4).

Foxconn has evolved into a global industrial leader in three stages. The first stage was to advance into mainland China under the coastal development strategy in the early reform period. The Shenzhen Special Economic Zone (SEZ), at the northern border of Hong Kong, was opened to Western and Asian capital investments in 1980. Local officials provided overseas investors with a wide array of preferential policies including tax exemptions, cheap land, and streamlined procedures for export. In 1988, Foxconn set up its first offshore factory in Shenzhen, with a small workforce of 150 internal migrant workers from the countryside in Guangdong province, of whom some 100 were women (Foxconn Technology Group, 2009: 10; Xu and Xu, 2010: 202). The first floor of the all-in-one factory compound was a canteen, the second to fifth floors the production lines, and the sixth floor the dormitory for the Chinese assembly workers (whereas the Taiwanese expatriates lived in rental apartments in town). In the early stage of production, middle- and high-level management was controlled by Taiwanese.

During the 1990s, Foxconn, in its second stage of expansion, greatly benefited from the inexpensive supply of internal migrant labor as it demanded more human resources. It employed the methods of the specialization of labor and the diversification of production lines in various factory compounds in different regions. It also employed an increasing number of skilled Chinese staff and workers for low- to mid-level management. Foxconn, by the turn of the twenty-first century, had consolidated its production in clusters in two regions: the Pearl River Delta in the south and the Yangzi River Delta in the east, where local governments such as Shenzhen, Shanghai, and Kunshan provided businesses with preferential tax policies, land and industrial infrastructure, and a substantial supply of labor.

The third and latest stage of Foxconn’s rise is the building of monopoly capital by mergers and the relocation of production facilities across all regions in China. Since the early 2000s, Foxconn has tapped into the lower cost labor and infrastructural resources in the northern, central, and western regions. As early as 2002, CEO Terry Gou was crowned “the king of outsourcing” by Bloomberg Businessweek (July 8, 2002)—when Foxconn was still behind long-standing industry leaders Solectron and Flextronics. In the same year,
the company became China’s leading exporter. As of December 2008, Foxconn’s global sale revenues reached US$61.8 billion (Foxconn Technology Group, 2009: 11), even higher than some of its high-profile corporate customers such as Dell and Nokia. As consumer demand for electronic goods rose following the recovery from the 2008–2009 global financial crisis, Foxconn jumped to 60th—from its previous 112th—in the 2011 Global 500 listing of the biggest corporations (CNN Money, July 25, 2011).

Foxconn integrates production into a chain extending from raw material extraction to final assembly to reduce market uncertainties and to enhance cost- and time-effectiveness. Through mergers and acquisitions as well as strategic partnerships, Foxconn has been able to shorten its downstream supply chain by manufacturing some parts in-house. Spokesman Arthur Huang explained the company’s cost-saving methods: “We either outsource the components manufacturing to other suppliers, or we can research and manufacture our own components. We even have contracts with mines which are located near our factories” (quoted in New York Times, July 6, 2010).

Foxconn, subject to the iron law of capitalist production that positions the individual capitalist in competition with the others in the market, has intensified its race for new business. In making desktop and tablet computers and laptops, it has fought for orders against specialized Taiwanese manufacturers such as Quanta Computer, Compal Electronics, and Wistron. It has also shipped smartphones in short delivery times, “grabbing contracts” (抢单) from Chinese makers ZTE (Zhongxing Telecommunication Equipment Corporation) and Huawei Technologies. In order to secure production orders from leading brands such as Samsung Electronics, Hewlett-Packard (HP), Sony, Apple, Microsoft, Dell, and Nokia, Foxconn has widened its product portfolio and upgraded its technology in a bid for future business. By mid-to-late 2011, Foxconn was projected to capture more than half of the world market share in electronics manufacturing and service (iSuppli, July 27, 2010).

“In 20 years,” a business executive suggested, “there will be only two companies—everything will be made by Foxconn and sold by Wal-Mart” (Bloomberg Businessweek, Dec. 9, 2010)—an exaggeration, but it does underline the impressive growth of Foxconn in the Chinese and global economy. Indeed, China is a key geopolitical site for Foxconn, providing it with more than a million manufacturing workers, that is, a sheer number far more than its total workforce in all other countries where it has invested. Foxconn’s China operation also extends from production to retail sales.

Our interview data show that the influx of rush orders has pushed Foxconn production workers to their physical and psychological limits, leading to
workers’ suicides as well as individual and collective resistance in the workplace. In the next section, we analyze Foxconn’s domination in relation to the Chinese state’s strategy of wealth accumulation and more balanced coastal and inland development. These shifts in state policies have shaped the working lives of the new generation of rural migrant workers.

The Chinese State and Local Accumulation

Foxconn’s achievement as a big-name electronics contract manufacturer is an important factor contributing to China’s emergence as the workshop of the world and the second largest economy in the world. Building on the foundation of heavy-industry growth during the state socialist era from the 1950s to late 1970s, Chinese reformers moved to initiate market reforms and emphasize light industry and services. From the 1990s to the present, local governments have given Asian-invested and domestic firms economic support, which varies from region to region, allowing them to become suppliers to Western technology multinationals through exports (Segal, 2003; Leng, 2005; Appelbaum, 2009; Hung, 2009).

The Chinese national economy has thus undergone a fundamental transformation from being based on heavy industry, with guaranteed lifetime employment and generous welfare provided to urban workers, to one that mainly relies on foreign and private investments and massive use of migrant laborers in light industries, where wages and labor protection are severely suppressed. The post-socialist state has further controlled workers’ self-organization and, consequently, wages to facilitate low-cost exports (Perry and Selden, 2010; Chan and Wang, 2005). Throughout the decades of rapid light industrialization, the manufacturing wages of the so-called Asian tigers rose from approximately 8 percent of U.S. wages in 1975 to over 30 percent in the 1990s through 2005; by contrast, China’s manufacturing wages over the years from 1980 to 2005 remained fairly low, at approximately 2–3 percent of U.S. wages (Hung, 2008: 162). Despite important measures to increase legal minimum wages from the mid-2000s, the Chinese state has sustained social divisions and class inequalities among the working people by the household registration (hukou) system, hence making possible China’s capital accumulation through private-sector industrial growth in which an abundant supply of rural labor is assured (Selden and Wu, 2011; Pun, Chan, and Chan, 2010; Chan, 2010).

As market reform deepens, industries in the coastal areas have been shifting inland, driven by rising production costs and inflation, a shortage of labor in coastal China, and the country’s strategy to open its interior (Goodman, 2004; McNally, 2004). The State Council has approved plans for the Cheng-Yu Economic Zone (成渝经济区, i.e., Chengdu and Chongqing), a regional project
to link up the economic development between the two cities of Chengdu and Chongqing, in order to further boost the economy of West China (Xinhua, Mar. 4, 2011). With the encouragement of the central government, local government leaders promote the export-oriented growth model by creating a business-friendly environment on the one hand, and reverse the historical trend of labor out-migration by improving local employment on the other hand. At the same time, young workers and married migrants have increasingly taken the job opportunities opened up in their native place instead of moving to distant provinces. Government statistics of 2009 showed that East China is still the primary destination for rural migrant workers nationwide. However, Central and West China have narrowed the gap: more than 90 million migrants worked in the eastern region, around 24 million in the central region, and nearly 30 million in the western region (National Bureau of Statistics, 2010). Our study, however, shows that while Foxconn Chongqing and Foxconn Chengdu were able to recruit laborers from their respective territories, most of the “local workers” were rural migrants from the countryside who had to commute for at least a few hours to their workplaces and were not able to go home on their day off on the weekend.

In short, Foxconn, like other leading investors, is moving energetically to take advantage of lower wages and local government incentives to build new production facilities in central and western regions. There are over 30 Foxconn factories across mainland China (in some cities Foxconn operates more than one production facility; Figure 1).

Local inland governments engage in business partnerships with Foxconn by providing it with access to land, roads and railways, bank loans, and labor under their jurisdiction. In June 2009, Sichuan provincial and Chengdu city officials, to promote the “go west” strategy and the post-2008 earthquake reconstruction program, led a delegation to Foxconn’s headquarters in Taiwan to sign a memorandum of cooperation. Chinese officials promised to facilitate the relocation of more industries to the west, making possible the formation of an efficient supply chain network like those previously created in Guangdong and in the greater Shanghai area. A vice director of the Chengdu Hi-Tech Zone recalled that “there was a great deal of negotiation involved over the last five years before we got his [Foxconn CEO Terry Gou’s] investment. It was not easy for Chengdu to stand out in those cities vying for investment” (quoted in China.org.cn, Oct. 28, 2010). The Sichuan government leaders prioritized the construction of a Foxconn production complex and dormitories as the “Number One Project” (一号工程). The US$2 billion Foxconn investment project is the biggest to date in the province (Xinhua, Oct. 22, 2010). As of the summer of 2010, a total of 14 villages in Deyuan had been demolished to create the 15-square-kilometer industrial space designated for a comprehensive Foxconn Living Zone (i.e., approximately five times larger than the Foxconn’s flagship Longhua factory in Shenzhen). During
Figure 1. Foxconn production facilities in China, Hong Kong, and Taiwan


Note. Foxconn production sites are located in four main geographic clusters:
1. The Pearl River Delta in Guangdong province in the south: Shenzhen, Dongguan, Foshan, Zhongshan, and Huizhou
2. The Yangzi River Delta and big cities on the eastern coast: Shanghai, Jiangsu province (Kunshan, Nanjing, Huai’an, Changshu), Zhejiang province (Hangzhou, Ningbo, Jiashan), and Fujian province (Xiamen)
3. The Bohai Gulf area and big cities of northern China: Hebei province (Beijing, Tianjin, Langfang, Qinhuangdao), Shanxi province (Taiyuan, Jincheng), Shandong province (Yantai), and Liaoning province (Yingkou, Shenyang)
4. The big cities in central and western China: Henan province (Zhengzhou), Hubei province (Wuhan), Hunan province (Hengyang), Chongqing, Sichuan province (Chengdu), and Guangxi province (Nanning).

Our field observation in March 2011, we learned that the township and village governments have offered free labor recruitment services for Foxconn Chengdu. A Sichuan worker colorfully commented,
Foxconn is hiring, the whole city has gone crazy too (整个城市都疯啦). Local officials grab people and ask if they’d be willing to go work at Foxconn. The government has made it an official task. Officials at each level have a recruitment quota. Isn’t this recruitment crazy?

At the government buildings of the towns of Hongguang and Pitong, for example, the human resources officers directly assisted walk-in job applicants to arrange interviews at Foxconn. These services, made available since Foxconn Chengdu commenced its production in the third quarter of 2010, have greatly lowered corporate recruitment costs.

Moreover, the Sichuan leaders have waived Foxconn a “significant” amount of rent and tax for the expanding investment projects. The renovated “northern plant” in the Chengdu Export Processing Zone and the completely new or still-under-construction “southern plant” in the Chengdu Hi-Tech Industrial Development Zone are provided to Foxconn at “far below the market rate.” It is not surprising that Foxconn CEO Terry Gou praised the government for its cooperation:

[I’m] very much impressed by the efficiency of local government departments that led to the start of the project. . . . Foxconn will add investment to make the [Chengdu] factory one of Foxconn’s key production bases in the world. (quoted in Chengdu Weekly, Jan. 2, 2011)

Perhaps a more significant finding of our fieldwork is the “dispatch” (派遣) of students from vocational schools to work in surveyed Foxconn factories through the mediation of education officers of respective local governments in Wuhan, Chengdu, Chongqing, Shenzhen, Kunshan, Langfang, and Taiyuan. Student interviewees reported to us that Education Departments and government officers in charge have “requested” their schools to arrange internships at Foxconn factories. Under China’s Education Law, students who carry out internships organized by their schools maintain a student identity at all times. Student interns do not receive the protection of the Labor Law since their relationship with the work organization is not defined as employment. Since the students are not subject to the Labor Law regulations, conflicts that arise between the students and the work organization cannot be handled as labor disputes. As the students are not defined as laborers in the legal sense, they do not enjoy trade union membership either.

Hence we found that student workers at Foxconn with internships organized collectively by their schools have become an enormous worker community in Foxconn factories across the country. The majority of student interns we encountered came from their second or third year of study, and a few had just finished their first-year exams in June. Most were 16 to 18 years
of age. Despite the maximum eight-hour work day stipulated by Education Ministry regulations, the intern workers at Foxconn frequently did excessive overtime work during the day or night shift. Many students complained that

I feel that what I’ve learned in my major is of no use; I’ve used nothing here (学无所用).

Regardless of your major, you’re asked to do things they want; there’s no relation to what you study in school.

We don’t learn any technical skills at Foxconn; every day is just a repetition of one or two simple motions, like a robot.

Foxconn’s “student internships” are actually a way of implementing “student labor” (学生工) to help raise output and increase profits by paying subminimum wages during the busy season. Foxconn exploits legal loopholes that do not require it to sign a formal labor contract for the use of student workers. The cost of labor is further reduced since student interns, unlike migrant workers, are not entitled to government-run social insurance schemes (since they are not protected under the labor laws and regulations). In all these ways, Foxconn’s labor regime—characterized by tight control of workers and super-exploitation of students—contributes to its rapid capital accumulation.

In short, the dominance of Foxconn, we argue, is achieved through the dismantling of the socialist economy by the reform and open-door policy in general and a deepening engagement between local government and capital, in accumulation specifically, over recent years. Local governments compete fiercely to host Foxconn production bases to enhance economic growth, offering lucrative resources to the technology giant. A network of electronics manufacturing coordinated by Foxconn is thus expanding quickly across mainland China. Inside the “Foxconn campus,” management organizes labor processes through a highly centralized and hierarchical production system, in which the workforce is subjected to a panoptic discipline, resulting in workers’ suicides and resistance (Table 1).

Migrant Workers in the Foxconn “Campus”

A Foxconn “campus”—as the company managers like to call it—is a distinctive dormitory factory regime, which organizes the sphere of production and the sphere of reproduction. Foxconn’s biggest manufacturing campus—Shenzhen Longhua—currently has more than 430,000 workers.
### Table 1. Suicides at Foxconn in China, January 2010–December 2011

<table>
<thead>
<tr>
<th>Gender</th>
<th>Age</th>
<th>Native Place</th>
<th>Foxconn Facility</th>
<th>Date of Suicide</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Rong Bo</td>
<td>M</td>
<td>19</td>
<td>Hebei</td>
<td>Langfang</td>
<td>8 Jan 2010</td>
</tr>
<tr>
<td>2. Ma Xiangqian&lt;sup&gt;a&lt;/sup&gt;</td>
<td>M</td>
<td>19</td>
<td>Henan</td>
<td>Guanlan</td>
<td>23 Jan 2010</td>
</tr>
<tr>
<td>3. Li (surname)</td>
<td>M</td>
<td>20s</td>
<td>Henan</td>
<td>Longhua</td>
<td>11 Mar 2010</td>
</tr>
<tr>
<td>4. Tian Yu&lt;sup&gt;b&lt;/sup&gt;</td>
<td>F</td>
<td>17</td>
<td>Hubei</td>
<td>Longhua</td>
<td>17 Mar 2010</td>
</tr>
<tr>
<td>5. Li Wei&lt;sup&gt;b&lt;/sup&gt;</td>
<td>M</td>
<td>23</td>
<td>Hebei</td>
<td>Langfang</td>
<td>23 Mar 2010</td>
</tr>
<tr>
<td>7. Rao Shuqin&lt;sup&gt;b&lt;/sup&gt;</td>
<td>F</td>
<td>18</td>
<td>Jiangxi</td>
<td>Guanlan</td>
<td>6 April 2010</td>
</tr>
<tr>
<td>8. Ning (surname)</td>
<td>F</td>
<td>18</td>
<td>Yunnan</td>
<td>Guanlan</td>
<td>7 April 2010</td>
</tr>
<tr>
<td>9. Lu Xin</td>
<td>M</td>
<td>24</td>
<td>Hunan</td>
<td>Longhua</td>
<td>6 May 2010</td>
</tr>
<tr>
<td>10. Zhu Chenming</td>
<td>F</td>
<td>24</td>
<td>Henan</td>
<td>Longhua</td>
<td>11 May 2010</td>
</tr>
<tr>
<td>11. Liang Chao</td>
<td>M</td>
<td>21</td>
<td>Anhui</td>
<td>Longhua</td>
<td>14 May 2010</td>
</tr>
<tr>
<td>12. Nan Gang</td>
<td>M</td>
<td>21</td>
<td>Hubei</td>
<td>Longhua</td>
<td>21 May 2010</td>
</tr>
<tr>
<td>13. Li Hai</td>
<td>M</td>
<td>19</td>
<td>Hunan</td>
<td>Guanlan</td>
<td>25 May 2010</td>
</tr>
<tr>
<td>14. He (surname)</td>
<td>M</td>
<td>23</td>
<td>Gansu</td>
<td>Longhua</td>
<td>26 May 2010</td>
</tr>
<tr>
<td>15. Chen (surname)&lt;sup&gt;b&lt;/sup&gt;</td>
<td>M</td>
<td>25</td>
<td>Hunan</td>
<td>Longhua</td>
<td>27 May 2010</td>
</tr>
<tr>
<td>16. Liu (surname)</td>
<td>M</td>
<td>18</td>
<td>Hebei</td>
<td>Nanhai</td>
<td>20 July 2010</td>
</tr>
<tr>
<td>17. Liu Ming</td>
<td>F</td>
<td>23</td>
<td>Jiangsu</td>
<td>Kunshan</td>
<td>4 Aug 2010</td>
</tr>
<tr>
<td>18. He (surname)</td>
<td>M</td>
<td>22</td>
<td>Hunan</td>
<td>Guanlan</td>
<td>5 Nov 2010</td>
</tr>
<tr>
<td>20. Hou (surname)</td>
<td>M</td>
<td>20</td>
<td>Sichuan</td>
<td>Chengdu</td>
<td>26 May 2011</td>
</tr>
<tr>
<td>22. Li Baoqiang</td>
<td>M</td>
<td>18</td>
<td>Henan</td>
<td>Guanlan</td>
<td>15 Oct 2011</td>
</tr>
<tr>
<td>23. Li Rongying</td>
<td>F</td>
<td>21</td>
<td>Shanxi</td>
<td>Taiyuan</td>
<td>23 Nov 2011</td>
</tr>
<tr>
<td>24. Xie Yanshe</td>
<td>M</td>
<td>21</td>
<td>Henan</td>
<td>Longhua</td>
<td>26 Nov 2011</td>
</tr>
</tbody>
</table>

**Source.** Research data and various news reports.

<sup>a</sup> Media reported Ma Xiangqian’s death as the “first” of the thirteen “chain suicide jumpers” from January 23 to May 27, 2010, at two Foxconn facilities in Longhua and Guanlan towns, Shenzhen city.

<sup>b</sup> Survived with injuries.
This 2.3-square-kilometer campus includes factories, warehouses, twelve-story dormitories, a psychological counseling clinic, an employee care center, banks, two hospitals, a library, a post office, a fire brigade with two fire engines, an exclusive television network, an educational institute, bookstores, soccer fields, basketball courts, a track and field, swimming pools, cyber theaters, supermarkets, a collection of cafeterias and restaurants, and even a wedding dress shop. This main campus is divided into ten zones, equipped with first-class production facilities and the “best” living environment since it is the model factory for customers, central- and local-level governments, and visitors from media organizations and other inspection units. In the same city of Shenzhen, another production campus, called Guanlan, composed of over 120,000 workers, has none of the “additional” facilities of Longhua, consisting exclusively of multistory factories and high-rise dormitories that are quite common among foreign-owned companies.

In other major Foxconn factory areas, the scale of production and the size of the workforce are also very large, over 100,000 workers. Within the walls of Foxconn, most of the employees are young migrants who work and live on the campuses. In the survey, the average age of Foxconn respondents was 21.1 years; the youngest 15 years. To supplement our structured questionnaires, we have documented workers’ narratives and field observations to present the working and everyday lives of the young Foxconn employees. Our primary concern is the dominating mode of corporate governance and its impact on workers’ well-being.

In the Foxconn Group, the production lines on the factory floor are centrally administered by their respective departments or sections, which are directly responsible to their business units, business divisions, and ultimately business groups (see Figure 2). At present, there are fifteen Foxconn business groups in all, differentiated by product specialization and/or corporate customers.

Foxconn competes on “speed, quality, engineering service, efficiency, and added value” to maximize profits (Foxconn Technology Group, 2009: 8). Its 13-level management hierarchy with clear lines of command is organized in a pyramid; in the chain of layers in the workshop alone, frontline workers face multiple layers of management from assistant line leaders, line leaders, team leaders, and supervisors (see Figure 3). There is a broad three-tiered incentive scheme at Foxconn: at the upper stratum are decision-making leaders, rewarded by the company with share dividends and job tenure for their loyalty, commitment, and seniority; at the middle level are managing and supervisory staff, rewarded by housing and monetary benefits; and, at the
lower rung are ordinary workers, whose wages and welfare are minimal (Samsung Economic Research Institute, China, 2008: 12).

The labor process in Foxconn is organized by a hierarchical management principle: “Disassemble the entire industrial process to identify the crucial points, simplify, and then reassemble the parts as a whole” (Xu and Xu, 2010: 152). Division of labor is so detailed that workers see themselves as merely “a cog in the machine.” Senior managers formulate strategic plans and rules and standards and the lower level staffers have to execute them with the lowest costs to achieve the greatest efficiency. Foxconn production operators in general do not require “skill” or thought; only strict implementation of instructions from management and mechanical repetition of each simple movement are required.

**Corporate Culture**

“Leadership is being decisive. Leadership is a righteous dictatorship. Leadership is a battle between experimenting and practicality” (所謂領導, 就是決策, 就是獨裁為公, 就是一場實驗和實踐的戰爭), says Terry Gou, the CEO and founder of Foxconn (Zhang Dianwen, 2008: 23). **Gou’s**
Quotations evoke collective memories of the older generation of people who came of age during the collective era and recited Chairman Mao’s Quotations in political campaigns and in schools. In the Taiwanese-invested firm, when Foxconn staff test for promotion, some of the test questions are to write Gou’s Quotations from memory. Several famous examples are:

Execution is the integration of speed, accuracy, and precision (所谓执行力，就是速度，准度，精度的全面贯彻).

Growth, thy name is suffering (成长，你的名字就叫痛苦).

Outside the lab, there is no high-tech, only execution of discipline (走出实验室就没有高科技，只有执行的纪律). (Zhang Dianwen, 2008: 29, 44, 3)

No admittance except on business—every Foxconn factory building and dormitory has security checkpoints with guards standing by 24 hours a day.
In order to enter the shop floor, workers must pass through layers of electronic gates and inspection systems. Our interviewees repeatedly expressed the feeling that the entry access system made them feel as if working at Foxconn is to totally lose one’s freedom:

We’re not allowed to bring cell phones or any metallic objects into the workshop. They’re confiscated. If there’s a metal button on your clothes or necklace, it must be removed, otherwise you won’t be allowed in, or they [security officers] will simply cut the metal button off.

While getting ready to start work on the production line, management will ask the workers: “How are you?” (你好吗). Workers must respond by shouting in unison, “Good! Very good! Very, very good!” (好，非常好，非常好). This militaristic drilling is said to train workers as disciplined laborers. Production quotas and quality standards are passed through channels down to the frontline workers at the lowest level of the pyramid.

Workers recalled how they were punished when they talked on the line, failed to keep up with the high speed of work, and made mistakes in work procedures. Several women workers attaching speakers to MP3-format digital audio players said,

After work, all of us—more than a hundred persons—are made to stay behind. This happens whenever a worker is punished. A girl is forced to stand at attention and read aloud a statement of self-criticism. She must be loud enough to be heard. Our line leader would ask if the worker at the far end of the workshop could hear clearly the mistake she made. Oftentimes girls feel they are losing face. It’s very embarrassing. Her tears drop. Her voice becomes very small. . . . Then the line leader shouts: “If one worker loses only one minute [by failing to keep up with the work pace], then, how much more time will be wasted by a hundred people?”

Line leaders, who are also under pressure, treat workers harshly in order to reach productivity targets. The bottom line for management is daily output, not workers’ feelings. Workers, in return, made fun of their line leaders in their daily life by mocking Foxconn’s “humane management” (人性化管理) as “human subordination” (人驯化管理). A male worker sharply commented,

If someone makes a mistake at Foxconn, the person below them must take responsibility. If something bad happens, I get screwed, one level
...Higher-level people vent their anger at those below them, but who can workers vent to? That’s why frontline workers jumped from those buildings.

Factory-floor managers and supervisors often give lectures to production workers at the beginning and the end of the work day. After working a long shift of a standard 12 hours (of which four hours are illegally imposed, forced overtime), workers still have to stand, for often 15 minutes to half an hour, and listen to speeches, although the content of such meetings remains the same: the management evaluates the production target of the previous shift, reminds workers of the tasks they need to pay special attention to, and reiterates work rules and regulations. Workers know too well that branded electronic products are expensive and there is no margin for mistakes. Several workers at a mobile phone assembly workshop commented,

We get yelled at all the time. It’s very tough around here. We’re trapped in a “concentration camp” (集中营) of labor discipline—Foxconn manages us through the principle of “obedience, obedience, and absolute obedience!” (服从, 服从, 绝对服从). Must we sacrifice our dignity as people for production efficiency?

Despite management’s attempt to take panoptic control over the workers on the production line, we found that the workers resisted in a variety of ways, including daily and collective resistance: stealing products, slowdowns, stoppages, small-scale strikes, and sometimes even sabotage, which put back production badly. During our research, Foxconn workers informed us from time to time that if they could not put up with their management on the line, they would take concerted action and work as slowly as possible in order to embarrass their line leaders. Once the workers won by having their line leader changed because this line leader was too harsh; in another instance, everybody stopped working on the line when the production order was in a rush, gaining managerial concessions. In short, there are inevitable tensions and resistance built into the repressive regimen of Foxconn, despite its hype of harmony and “mutual love and care” (相亲相爱).

**Wages and Work Hours**

“Heart to heart, Foxconn and I grow together” (心连心, 富士康与我共成长) reads a bright red banner hanging at the new factory in Foxconn Chengdu. It
suggests that the workers and the company identify with each other as if they shared one big heart. The corporate propaganda team has created a dream of riches through labor and has tried to persuade workers that success and growth are only possible through working diligently. Yet, many workers debunk these kinds of rosy dreams as distant and unrealistic.

As of March 2011, the basic monthly wage (with 40-hour normal work weeks) of assembly-line workers was 950 yuan (or US$147) in Foxconn Chengdu and 1,200 yuan (or US$186) in Foxconn Shenzhen, with all the other nine surveyed Foxconn factories falling in this range, with variation by geographic location. All the workers and student interns interviewed had “agreed” to work overtime to earn more money, totaling 1,600 yuan to 2,000 yuan a month. The wage rates of average workers at Foxconn, we believe, generally fit the national pattern: in 2009 the average wages of the 145 million migrant workers (including overtime) were estimated at 1,417 yuan a month (National Statistical Bureau, 2010). So the complaints of Foxconn workers center not on illegal underpayment of wages but on the perceived huge gap between themselves and their higher-level managers as well as salaried people in the cities.5

Foxconn likes to point out that workers have signed written “agreements” for overtime. This agreement is meaningless since workers enjoy no effective protection from being fired for refusing overtime. While the mandatory overtime work in China stipulated by the Labor Law is 36 hours per month, most of the Foxconn workers usually have 80 hours of overtime work each month. In our interviews, workers described “exhaustion to the point of tears.” In our summer 2010 questionnaire survey, more than 80 percent of the 1,736 respondents had “four days of rest or less in a month” during the peak seasons. Our findings are highly consistent with that of the 5,044-person survey conducted by the Shenzhen Human Resources and Social Security Bureau in the same period: 72.5 percent of the Shenzhen Foxconn workforce put up with excessively long working hours to earn extra income (Diyi caijing ribao, June 17, 2010).

“The People of Foxconn” or 富康人, literally meaning “wealthy” and “healthy” people, rings with a dark irony to many “Foxconn People” we talked to. The Foxconn workers often took this phrase as a joke when they received their monthly wage. Regarding his present meager wages, one 25-year-old worker—an eminently marriageable age—expressed anxiety about his future life, and especially after having a family:

I’m no longer able to muddle through my job in Shenzhen. Every month I make only over a thousand yuan, and if I don’t marry I could get by a few years, but if I marry, I’ll have to raise kids, it’s really not enough for that. . . . Our days are truly hectic, and even if you’re strong
it’s difficult. Most people in my dorm are unmarried, and I feel that married people generally won’t come here, the wages are so low.

Production Intensity and Work Pressure

Workers said that after the basic wage was increased to 1,200 yuan in June 2010, a clear increase in production was scheduled and production intensity increased. A group of young workers at the Shenzhen Guanlan factory responsible for processing cell phone casings said, “Production output was set at 5,120 pieces per day in the past, but it has been raised by 20 percent to 6,400 pieces per day in recent months. We’re completely exhausted.”

The biggest Longhua factory could produce as many as 137,000 iPhones in a 24-hour day, or more than 90 a minute, as of September 2010 (Bloomberg Businessweek, Dec. 9, 2010). Management used stop-watches and computerized industrial engineering devices to test the capacity of the workers and if workers being tested were able to meet the quota, the target would be increased day by day until the capacity of the workers reached the maximum. Another group of workers at the Kunshan factory commented, “We can’t stop work for a minute. We’re even faster than machines.” A young woman worker added, “Wearing gloves would eat into efficiency, we have a huge workload every day and wearing gloves would influence efficiency. During really busy times, I don’t even have time to go to the bathroom or eat.”

Foxconn claimed that production workers who stand during work are given a ten-minute break every two hours but our interviewees said that “there is no recess at all,” especially when the shipment is tight. In some departments where workers nominally can take a break, they are not allowed to rest if they fail to meet the hourly production target. Working overtime through the night in the electroplating, stamp-pressing, metal-processing, paint-spraying, polishing, and surface-finishing units is the toughest, according to workers interviewed.

Buyers of Foxconn products—the world’s marquee corporations, including Apple, HP, Intel, Nokia, and so forth—want their computers and iPhones fast to meet global demand. The corporations pressure Foxconn so that they can compete against each other on price, quality, and delivery. To fulfill the requirement of speedy production and shipment deadlines, Foxconn transfers the work pressure to the frontline workers. For example, Apple has been trying to get its white models of iPhone 4 out to the market without delay, while keeping up with the availability of iPhone 4 black models. This
drive for productivity and quality leads to constant pressure on Foxconn workers. The electronics parts and components are assembled quickly as they move up the 24-hour non-stop conveyor belts. Posters on the Foxconn workshop walls and between staircases read:

Value efficiency every minute, every second (重视效率分分秒秒)

Achieve goals, otherwise the sun will no longer rise (目标达成, 除非太阳不再升起)

The devil is in the details (魔鬼都藏在细节里)

On an assembly line in the Shenzhen Longhua plant, a worker described her work to precise seconds: “I take a motherboard from the line, scan the logo, put it in an antistatic-electricity bag, stick on a label, and place it on the line. Each of these tasks takes two seconds. Every ten seconds I finish five tasks.”

Workers reported competing with each other to get a production bonus. In the workshops where our researchers conducted participant observation, a company job-evaluation system of Grades A, B, C, D, and Distinction was applied to encourage workers to do overtime work and not to take leave, otherwise the bonus would be reduced. Under these circumstances, the pressure becomes unbearable.

Each frontline worker specializes in one specific task and performs monotonous, repetitive motions at high speed. The rotating day and night shift system and extreme work intensity take away any feeling of freshness, accomplishment, or initiative toward work. In the production process, workers occupy the lowest position, even below the lifeless machinery. “Workers come second to and are worn out by the machines,” was one worker’s insightful summary of the worker–machine relationship. Others shared a sense of low self-worth: “I’m just a speck of dust in the workshop.” This is the “renewed” sense of self that arises after countless lectures from section leaders and production line leaders.

Workers’ awareness of their position was painful: “Fate is not in your own hands but in your superior’s.” On Foxconn factory floors, conversation on the production line between assembly workers is forbidden. “You’ll receive a warning letter for breaking the rule,” a female worker from Foxconn’s Shenzhen Guanlan plant said. Managers enforced a policy of demerit points to drive workers to work harder. A 22-year-old worker explained, “The policy is used to penalize workers for petty offences. You
can lose points for having long nails, being late, yawning, eating, or sitting on the floor. There’s a whole load of things. Just one point means losing my monthly bonus.”

A long working day of enforced silence, apart from the noise of the machines, is the norm. On certain assembly lines, however, workers said that control over the work pace was much more relaxed because their senior managers would not be present at the workplace and hence their line leaders could be a little bit more lenient. At midnight, the workers said, “sometimes we could talk and laugh if we didn’t affect the production; sometimes we might fall asleep and fall down on the ground. If we woke up immediately and continued working, nobody would scold us.” Workers who could not endure the work pressure and isolation quit within a few months. In the survey conducted outside of Foxconn’s Hangzhou factory, a woman worker who had just quit said, “It’s such a cold environment on the shop floor. It makes me feel depressed. If I continue to work at Foxconn, I may commit suicide too.”

**Loneliness and Fragmented Lives**

Foxconn provides workers with “conveniences” (提供方便) such as collective dormitories, canteens, services, and entertainment facilities in order to incorporate the entire living space under the factory’s management, serving the just-in-time global production strategy. To a large extent, workers’ living space is merely an extension of the workshop. Food and drink, sleep, washing, and other aspects of workers’ daily lives are scheduled just like the production lines, with the goal not to satisfy workers’ needs as people but rather to reproduce workers’ physical strength at the lowest cost and shortest time in order to satisfy the factory’s production requirements. But at Foxconn, there is no true rest even after getting off from work. Workers with different jobs and even night-shift and day-shift workers are mixed into the same dormitory. As a result, workers frequently disrupt each others’ rest because of different working hours. In addition, random dormitory assignments often break up existing networks of social relations, hindering communication and interaction between workers. In this lonely space, workers have forfeited their personal and social lives.

All the Foxconn production sites feature a combination of factories and dormitories—its Shenzhen facilities have the astonishing number of 33 company dormitories with another 120 rented dormitories in the nearby
community. The Foxconn Group is now trying to shift production workers from its higher cost, overcrowded Shenzhen site to other facilities. The dormitory labor regime remains unchanged. Most migrant workers live in the dormitories, but they do not have a normal life in their “home”—they are living with strangers, not allowed to cook, and not permitted to receive friends or families overnight. Whether the worker is single or married, he or she is assigned a bunk space for one person. The private space is virtually reduced to one’s own bed behind a self-made curtain.

From the perspective of labor control, these factory-provided dormitories mean that production and labor reproduction activities take place in a self-contained, all-encompassing geographical locality. This facilitates flexible production through imposing overtime work, as the distinction between “home” and “work” is blurred. The lengthening of a work-day to 24 hours to meet the global production schedule means that the appropriation of labor surplus is absolute. Such a socio-spatial arrangement strengthens managerial domination, wherein control over labor is extended from the factory shop floor to the sphere of everyday life. The dormitory labor system is a cost-efficient solution for companies like Foxconn to ensure that workers spend their off-hours just preparing for another round of production. Thus, workers face a double pressure within and outside the factory, to the extent that workers are stripped of social living spaces.

Company policy clearly isolates workers, making it difficult to organize collective action. Localistic and friendship networks are weakened or cut off. A worker acutely observed,

Our batch of new hires totaled 120 persons. Most of us came from schools in Hubei; mine has 20 people. The company divided us into five different groups for training. After training, I was assigned to an assembly line. My new friends, whom I met during the training, were all placed in different positions. . . . I consider this arrangement as a way of preempting workers from “making trouble” (闹事). This is why Foxconn workers are free to jump from buildings but not to “make trouble.”

As a result, interpersonal relations between workers are very weak, despite the fact that most are in their late teens or early 20s. Now we begin to understand why some workers have taken their lives.

Tian Yu is a 17-year-old survivor. On March 17, 2010, this carefree girl who once loved laughing and flowers jumped off the fourth floor of the
Shenzhen Longhua factory worker dormitory. Compared with over a dozen other young lives that were ended, she was lucky—she lived. Yet in some ways she is less fortunate, because her young body remains paralyzed after many surgeries, and she will spend the rest of her life in a hospital bed or wheelchair.

Inside the “forbidden Foxconn city,” all production workers, like Tian Yu before her tragedy, go to work, return exhausted from overtime work, go to sleep, have no free time to themselves, and no “extra” time for each other. A typical work day begins at 8 am and finishes at 8 pm. On the product-parts inspection line, Tian Yu was often reprimanded by her line leaders for poor quality, rejected parts, and “not working fast enough.” Her seven roommates in the dormitory were all from other business groups; there was no one to share the hardships at work. In her only 30-odd work days, she could not overcome the deep state of helplessness, and decided to end her life. She calmly recalled in the ward:

I entered Foxconn on February 8, 2010, and asked to go straight to work the next morning. In the enormous factory, I lost my way. Finally I arrived at the line—late at my first day of work. . . . At the time when I should have received my first month’s wages, I didn’t get my wage-card. I asked my line leader what went wrong. She simply told me to ask at the Guanlan plant [an hour away by bus]. There, I asked one after another and still couldn’t find a clue. I was like a ball being kicked around (像球一样给踢来踢去). No one tried to help.

Anger and frustration built up. Instead of going to work early the next morning, Tian took desperate action.

Foxconn entered Shenzhen in 1988, but the Longhua plant set up a trade union only at the end of 2006, under the double pressure of media publicity exposure of their Apple-branded iPod manufacturing conditions and the mobilization of the Shenzhen Federation of Trade Unions. The Foxconn union chairwoman is a special assistant to the CEO. Apparently, Foxconn workers, like most Chinese workers, lack the means to appeal for help. Among the 1,736 worker survey respondents, nearly 90 percent said they did not participate in a trade union, 40 percent believed that the factory had no union, and the majority do not understand the function of a trade union.

In the wake of the multiple suicides, Foxconn dormitories throughout the country were all wire-grilled. The company installed 3,000,000-square-meters of
safety nets, which were hung around outdoor stairways of dormitory buildings to prevent employees from jumping. Workers now live “in a cage” (囚在笼中).

**Conclusion**

We may say that Foxconn is a new development of monopoly capital which is generating a gigantic global factory regime that dominates the lives of the new generation of Chinese migrant workers and creates new forms of hardship and suffering to an extent not confronted by the previous generation of migrant workers. The market dominance of the million-worker-strong Foxconn corporation is facilitated by a deepening process of China’s economic transformation at the national level as well as a deepening alliance between business and local governments. Factory relocation costs are reduced as officials in interior provinces compete for investment to the extent that they disregard fundamental principles of labor and educational law enforcement. Despite central government leaders’ call for industrial restructuring, the mainstream approach of rights-suppressed, low-cost exports remains intact. From the lived experiences of migrant workers and student interns, it is clear that they face severe difficulties in seeking to safeguard their rights and have their grievances redressed. Contradictions between capital and labor have cumulated at the point of production, resulting in widespread labor grievances as well as struggles.

Foxconn as a form of monopoly capital generates a global “race to the bottom” production strategy and repressive mode of management that weighs heavily on the rural migrant workers who form its work force, depriving them of their hopes, their dreams, and their future. Within the walled cities of Foxconn, workers are struggling to improve their lives in the face of a factory discipline requiring that they meet ever higher productivity demands. When the Chinese government does not enforce labor law, employers like Foxconn feel free to ignore state restrictions on overtime in order to flexibly meet global just-in-time manufacturing and logistic imperatives. On the factory floor, work stress associated with the “scientific” production mode and inhumane management is intense. Alienation of labor and the lack of social support are common experiences. Young migrant workers in their late teens to mid-20s, who have been placed in the “first-class” Foxconn factory-cum-dormitory environment, have experienced severe loneliness, anxiety, and alienation. Suicide is merely the extreme manifestation of the migrant work experience for hundreds of millions.
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Notes

1. The first author carried out four field trips in the cities of Shenzhen, Kunshan, Taiyuan, Chongqing, and Chengdu in the summer of 2010, October 2010, December 2010, and March 2011; the second author conducted a one-month investigation in Chongqing and Chengdu in March 2011 and revisited the industrial community in Shenzhen from mid-October to November 2011. Both researchers have been members of the joint-university Foxconn Research Group since its establishment in June 2010.

2. Foxconn Technology Group owns manufacturing facilities and research and development centers in Taiwan, China, Japan, South Korea, Australia, New Zealand, the Middle East, Southeast and South Asia, Russia, Europe, and the Americas.

3. Foxconn manages chain stores (e.g., Wan Ma Ben Teng, Media Mart [Wan de cheng], and CyberMart [Saibo shuma guangchang]) in big cities, tapping into the growing domestic consumer market. China’s domestic market grew by close to 10 percent in 2011, much faster than either the United States or Europe.

4. According to China’s Labor Law (effective January 1, 1995) and Labor Contract Law (effective January 1, 2008), to ensure occupational health and safety, overtime hours may not exceed one to three hours in a day and 36 hours in a month.

5. Mark Selden and Wu Jieh-min (2011: table 6) analyze the ratios between average urban employee wages and local minimum wages in Shanghai, Suzhou, and Shenzhen, respectively (1992–2008). The ratios will be even higher if the differences in welfare benefits are taken into account.

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