



Core units: Key understandings – Years 7–8

Illustration 1: Internal migration in China

China's company towns

The Taiwanese company Foxconn, the world's leading electronics supplier and mainland China's biggest private-sector employer, is beginning to outgrow its factories in Shenzhen.

Hongfujin Precision Industry, a subsidiary of Foxconn that manufactures Apple's iPod, is based in Longhua, a suburb of Shenzhen, in Guangdong Province. Half an hour after midnight I was at the factory gates, watching thousands of workers in pink or black company jackets coming off shift. Some were eager to talk: 'You're the first foreigner I've ever spoken to. Do you know Michael Jackson? I've got all his songs on my phone.'

A squad of street vendors were competing with the factory's canteen. Bo Zhang charges 3 yuan (about 50 US cents) for a plate of fried noodles and, working alone, he cooks over 1,000 portions a day: 'The bosses don't want the workers going too far from the factory during their meal break. When we come along, the bastards cut the canteen price to 1.5 yuan; usually it's 4 yuan.'

Bo used to work for Foxconn, laminating the metal casings of Apple MacBook laptops. He remembers the suffocating heat, the poor ventilation, the noise, and the aluminium dust that stuck to his hair and skin. During his time, the workers had no contact with the Taiwanese bosses. (Even the Chinese management avoided all contact with their Taiwanese counterparts, who actually made the decisions.) He asked for a transfer, but was turned down and left a year later, in May 2010. Now he's working under better conditions, despite the rats running among the plastic stools and the factory smoke blending with the aroma of soy sauce.

The workers prefer the sociable atmosphere of Bo's stall, where there are no security guards watching. According to them, the foremen stopped handing out humiliating punishments after the suicides in 2010. 'The managers are much more discreet now. In fact, we hardly hear from them any more. If you've got your head screwed on properly, it's OK. I work standing up, but I get a 10-minute break every two hours,' said Yang, 21 and thin as a rake. His friend Cao Di remembered the way things were: 'If you didn't meet your production target, you had to stand facing the wall for six hours, reflecting on the error of your ways.' But discipline remains strict: 'You still have to leave your phone at the entrance, and you can't go to the toilet, or talk or take a drink of water while you are working.' Between them, Yang and Cao wrap 8,000 iPads in a day that lasts from 8am to 7pm. They are proud to have been doing it since the launch of the first-generation iPad in 2010.

Terry Tai-Ming Gou, Taiwanese founder of Foxconn, built his first factory in mainland China at Longhua in 1988. It's a bunker-like structure with a floor area of 3 sq km, surrounded by dormitories. About 350,000 people work here day and night, making printers and cartridges for Hewlett Packard (HP), computers for Dell and Acer, Kindle e-book readers for Amazon, PlayStations for Sony and all of Apple's product range. To meet the insatiable global demand for Apple products, Foxconn has built two more factories, making iPads in Sichuan Province and iPhones in Henan Province. The first began production in September 2010, the second in August 2011. Each employs around 200,000 workers.

Finding an escape

In Longhua, I visited a group of a dozen privately run dormitories close to the Foxconn factory. They are separated from the factory's B4 workshop by two four-lane roads filled with lorries at all hours, day and night. From the top floor, through the barred windows, I could see young men in the factory workshop stacking Acer cartons.

The dormitory caretakers were playing cards in a smoky room and, from time to time, glancing at the CCTV. They collect rent from 12,000 workers occupying 1,500 rooms. Men and women are separated. Washing machines and drinking water dispensers stand outside, surrounded by bags of household rubbish thrown from upstairs windows and immediately torn open by stray dogs. Steel shutters on the ground floor conceal illegal cybercafés and online games arcades open 24 hours a day where, for 1 yuan an hour, young workers can find an escape.

Lack of space means Foxconn can only house a quarter of its workforce 'on a campus with an Olympic-size swimming pool, gyms and hospitals', as the press release describes it. Most live in private dormitories, built hurriedly, right up against each other, without a street address, where they are at the mercy of shopkeepers and greedy landlords, over whom Foxconn has no control.

On the CCTV, the caretakers spotted someone dropping a cigarette butt on a staircase, and sent a security man to nab him quickly. According to the rules posted in every corridor, he would have to pay a non-negotiable fine of 20 yuan (\$3.20). In Longhua, order is kept by private security guards — skinny little men in police uniforms, but without guns or badges. Like the workers, they are migrants recruited at the factory gates. They get the same pay; only the uniform cap sets them apart.

They fine people for a wide range of offences, check passes and search bags at the entrance to every workshop, store and dormitory. They are the first to respond when anyone calls the police. They parade about on mountain bikes with flashing lights bolted on to the luggage rack. In the evenings, they station themselves at street corners with all their lights on, pretending to be police officers manning roadblocks, to control the traffic better. Occasionally, fights break out between guards and workers, and then it's the police who respond. A shopkeeper told me: 'The real police only turn out if there's something unusual going on. They start filming the ringleaders, and the lads eventually disperse.'

The police have a sophisticated pickup truck with a rotating camera. Their main concern is to prevent demonstrations, which are frequently attempted; they don't bother much about the many brothels disguised as karaoke bars or massage parlours. I saw advertisements for fake diplomas, driving licenses and even identity cards. Foxconn says these are a plague — the company has declared it would never knowingly use underage labour and that if it has done so, it was because the people concerned had fake documents and looked older than their age. Audits carried out by Apple in 2011 found cases of underage labour at five of its suppliers.

'I want to go home with a wife and money'

Workers hoping to change careers may be tempted by one of the town's dodgy 'continued professional development' colleges. Guo Tan, 25, has been painting Nokia phone shells for two years. His brother works at a lighter factory in Zhejiang Province; his sister at a slipper factory in Dongguan, another city in Guangdong. Earlier this year, Guo took a course in online marketing in Longhua. 'I wanted to retrain,' he said, 'because they switch me from days to nights, or nights to days, every month, sometimes every two weeks, without notice, and I can't sleep properly.' Guo works 12 hours a day, 6 days a week. The course fees were 4,000 yuan (\$631), more than twice his basic monthly wage. He took three hours of classes a day, four days a week, for two months and got a

handsome certificate at the end. But the course isn't recognised by any of the companies he would like to work for. Guo is from Guizhou Province, one of China's poorest, and he has a goal: 'I want to go home with a wife and enough money to start a small business, and be my own boss. It would set my parents' minds at ease.' For now, he needs to rebuild his savings and will have to stay at Foxconn a little longer.

The Foxconn workers are eager to consume. As soon as they leave work, they are surrounded by temptations. The walls of the dormitories closest to the factory gates are covered with advertising for mobile phones and energy drinks. Street vendors hail the workers through megaphones, offering giant soft toys, costume jewellery. A woman was selling counterfeit Foxconn jackets for 35 yuan (\$5.53). Workers are issued one on joining the company and must wear it every day at work but, she said, 'Eventually they lose it'. On Minqing Road, a tattoo artist had set up his electrical equipment under a lamppost and for 300 yuan (\$47) would do you a fearsome dragon on your chest or back. The constant stream of lorries raising clouds of dust didn't seem to bother him. On their day off, once a week (or once a month, if they do a lot of overtime), workers queue up at the barbers, or rent roller skates to let off steam on the town's main square to popular music, from speakers hidden behind banners that boast of Longhua's 'harmonious development'.

Away from the noise, over a shop selling blankets, I found an evangelical church that seemed to have escaped the attention of Shenzhen's religious affairs bureau: someone had dared to paint 'God is Calling You' on a first floor window. Since it opened, five years ago, Foxconn workers have been coming to pray, cry and sing, around the clock. Their donations have paid for a little piano and a pastor who commutes from Dongguan. Nothing, as yet, to give the authorities cause for concern.

In April 2011 the subway finally reached Longhua. Air-conditioned trains run every eight minutes, taking young workers to the lively Lohuo district of Shenzhen, on the border with Hong Kong. 'There's more trafficking, more temptations and we feel less safe every day,' said Sunny Yang, an engineer, who had just come back from an evening playing badminton with friends. He lives in Longhua with his wife and two year-old daughter, and is finding the noise increasingly hard to bear, although he felt obliged to add, 'there are great opportunities for graduates.'

Granny moves in

One reassuring change, in Yang's eyes, is that quieter residents are moving in — grandparents. They spend the day sitting around the few playgrounds and putting baby clothes out to dry on the fences. They have come because their children, who work for Foxconn, have called them in to babysit. Lei, 23, from Hunan Province, has a son aged two and a half: 'My parents were migrant workers round here too, and because they were registered in the country, I couldn't get into a school [migrants don't have the same access to public services as locals]. So they left me at home in our village. When I was a child, I only saw them once a year, at the New Year. I don't want my son to be as lonely as I was. I want him to go to school here, even if I have to pay.'

Lei and her husband rent a room with just 9 square metres, for 350 yuan (\$55) a month, just big enough for a mattress, a television set and the child's pushchair. Lei's husband assembles Cisco landline phones, 12 hours a day, six days a week. He earns a good living: up to 4,000 yuan (\$631) a month. Lei stopped working when their son was born. Now she is pregnant again. When the baby is born, she will send for her (now retired) parents and go back to work, to double the household's income.

The country grandparents don't much like city life. 'It's a bit dull here,' said Mrs Jiang, 63. 'The air is polluted and the streets are dirty. There's nowhere to grow vegetables, and with all these security men around you feel you are being watched.'

Mothers, and future mothers, in Longhua know their rights, which annoys their bosses at the factories. Jun Hao laughed about it: 'When I found out I was pregnant, my workshop manager kept me waiting 10 days for permission not to go through the metal detector. And when I asked to be transferred to another workshop, he refused. I had to persuade his boss.' Now she labels PC cartons. 'I get 3,000 yuan (\$474) a month. That's OK, isn't it?' When the baby is born, she should get three months' maternity leave. 'My mother doesn't believe it for a moment, but it's in the contract.' Maternity leave in mainland China is 98 days (28 days more than in Hong Kong) on 100% of average monthly pay for the previous 12 months. This is easy to enforce in public services and state-owned enterprises, harder in the private sector.

Jun probably didn't get her information by searching the women's forums from a cybercafé: they tend to be monopolised by young men playing online games. A more likely source is hospitals such as the Huaai gynaecology centre, open until late in the evening to female workers and their partners who can come, in complete confidentiality, to gather information on maternity and contraception. A spokesman said: 'The better they know their rights, the easier they will find it to get better conditions, not just more pay. It's a way of guaranteeing stability for Shenzhen.' The centre is run in partnership with the People's Liberation Army, and most of the doctors are army officers. I was amazed at the sexual education panels that were on display outside, though a security guard forbade me to photograph them: 'Homosexuality is a cultural phenomenon, like sadomasochism. It has not yet reached maturity in China' — perhaps a way of saying that Chinese society may not yet be ready to accept it.

'Make your fortune'

Migrants arriving at the Foxconn recruitment centre, near the north gate, are greeted by slogans such as 'Make Your Dreams Come True' and 'Make Your Fortune'. Giant photos show workers with euphoric smiles dressed like graduates of an American university, with mortarboards on their heads. Near them, a red panel pragmatically announces that 'you do not need a degree or money to join the company' — touts desperate for a commission waylay disorientated job candidates as they get off the subway, lying about wages and hours.

To keep its workforce, Foxconn has to fight the small factories, which brazenly post job advertisements right up to the dormitory doors, and make sure their wages match the going rate. They take advantage of the hi-tech environment to build their own phones, aimed at the modest markets of China's small towns and countryside. 'What we lose on labour costs, we can recover on margin, because we sell our products directly to the end user,' said a businessman I met in the Samzong (not to be confused with Samsung) factory shop. KPT phones, inspired by BlackBerrys, and Ying Haifu phones, which look like Nokias, are also made in Longhua.

It seemed to me that, outside working hours, Foxconn no longer had any control over its workers. Leisure, sleep, training, spirituality, food and travel are all markets that are being exploited by outsiders, some predatory, a few benevolent. Louis Woo, a Foxconn spokesman I interviewed by phone, confirmed the phenomenon, but did not condemn it: 'We can't control the new generation of workers, who have chosen to live among other young people. We know that young people no longer want to go home every day. Even if they wouldn't mind being able to visit their families more often, they want to live among their peers.'

Expansion further inland

Foxconn has decided to pursue its expansion in provinces inland that may be further from the great trading ports but have plenty of virgin territory, where the company can rethink every aspect of its approach to building an industrial complex and where the local authorities will welcome it.

One such location is Pixian, on the outskirts of Chengdu, Sichuan Province, where Danone bottles water and Intel makes microprocessors. In October 2009 Foxconn signed a joint investment agreement with the provincial government. Construction began in July 2010, production in September that year. Seven months later an explosion at the factory killed two workers and injured a dozen. An inquiry by *The New York Times* found that it was caused by a structural defect in the ventilation system.

Foxconn now makes 48 million iPads a year in Pixian, around two-thirds of its total production, on a 4 sq km site with eight workshops housing 50 production lines. Here there are no noisy brothels or karaoke bars, backlit advertising panels, counterfeit phone factories or evangelical churches: the workers move docilely around a brand new, sanitised factory-town with neo-Stalinesque architecture. Six-lane roads link the enormous A, B and C workshops to Dormitories 1, 2 and 3. The city of Chengdu provides transport around the clock, in the form of articulated buses. Apart from the cement mixers, lorries full of factory products, and police cars, they are the only vehicles on the streets of Pixian.

This new industrial complex, built in a record 75 days by Jiangong, a company owned by the city of Chengdu, stands in a new free trade zone and is exempt from taxation. Attracting Foxconn to Pixian was described in the local press as 'the Sichuan government's No 1 project'. To please Terry Gou, the government has built six new roads, two bridges and 1.12m square metres of worker accommodation. It has also spent 2.2bn yuan (\$347m) on compensating 10,000 families who lived in the 14 villages demolished to make room for the project in August 2010.

The new Foxconn workshops are austere white blocks with thousands of small tinted windows. They line two straight avenues with evocative names: Tian Sheng Lu (Heaven Victory Road) and Tian Run Lu (Heaven Profit Road). Safety netting has not been strung around the workshops to prevent suicides, as it has in Longhua. The workers are younger and less well paid — the basic wage is 1,550 yuan (\$245) a month, rather than 1,800 yuan (\$284) in Longhua — but they are locals and can visit their families more easily. 'Chengdu is very different from Shenzhen,' said Louis Woo. 'Shenzhen is a city made up entirely of migrants. At our Longhua factory, 20% of the workers are young people from Henan Province, 10% are from Sichuan. But here, the Sichuan workers are on home ground, so they are more relaxed. And people in Sichuan are known for their warmth. They have so many tea shops.' (I am not sure the workers have time for leisurely tea-drinking.)

Local workers

Witnesses say local authorities have taken a hand in recruitment — proof that Chengdu is serious about the project. Every village in Sichuan must provide a quota of workers. Yang, who works in stock control said: 'I accepted the village Party secretary's offer in return for help with administrative procedures. He helped to speed things up for my marriage — my wife is from another province. But it's not forced labour: I can leave whenever I like and our village will still get subsidies from the provincial government.'

Students of IT have been sent to do internships at Foxconn. The company comments: 'These are provisional measures which are necessary in the initial stages of development. The workers do not know our company and will not queue up at the recruitment centre of their own accord, so we have to

go out and find them.' The turnover is high: 24,000 workers a month (nearly 7%) in Longhua, according to *The Daily Telegraph*. It may be far higher in Pixian, where I was told: 'When my friends wanted to leave, the human resources director asked them to wait as he already had 40,000 letters of resignation to process.'

Some of the dormitories in Pixian are 18 storeys high. They are patrolled by security guards. Men and women are separated. Each group of three dormitories has a canteen, a supermarket (that sells no alcohol), a cybercafé, cash points, table tennis tables and badminton courts. Six to eight workers share a room with a toilet and a shower cubicle; the rent is 110 yuan (\$17) a month for each bed. To save the workers time and energy, a laundry company collects their washing.

The cybercafés, popular with the young workers, have nice décor, air-conditioning and generous armchairs: their terminals have the Foxconn logo as their desktop pattern. The price doubles after an hour, which encourages the workers not to stay too long. The only shops allowed to operate in Pixian are franchise stores such as Family Mart. 'Life outside the dormitory and the factory is expensive,' said a worker whose life runs to a strict timetable. 'I get up at 6:00, take the bus at 6:40 and start work at 7:30. I work until 8:30, so I get home at 9:10. I have just an hour to myself before lights out.' Outside, illegal noodle and kebab vendors spend all night playing cat-and-mouse with policemen driving golf carts.

A replica of this townscape is nearing completion in the outskirts of Chongqing, 300km from Chengdu. Foxconn is moving its Hewlett Packard printer works from Longhua. Production has barely started but university buses from Chongqing are bringing in students requisitioned for a compulsory internship at the factory. They will join 10,000 workers from the Longhua factory who have already agreed to return to their native province. Pan Fang, 22, and friends had just seen their new room. It has eight numbered beds and eight stools. Their first impression was positive: 'The air here is less polluted and Foxconn provides hot water, air conditioning and a TV.' They already knew they would be doing the same work, each of them assembling 600 printers a day. And they hoped their wages would be the same.

Source: Adapted from *Le Monde diplomatique*: English version. Article by By Jordan Pouille. Retrieved October <http://mondediplo.com/2012/07/07foxconn>

© 2013 Le Monde diplomatique, by permission of Agence Global.