

China: The inhuman factory of our digital life

From Consumer Electronics to Vehicle Batteries

Au Lap Hang
Labour Education and Service Network
lhau@lesnhk.org

Outline

- Electronics industry in China
- Problems workers are facing
- Recent developments
- Recommendations

Electronics industry in China

- From part suppliers to national brands
- Plastic casing, battery, glass screen, camera, printed circuit board...
- Major investors: Taiwan, Japan, Korea, USA
- Huge working population
- Government policy benefits
- Some biggest factories in the world
- Easily >50,000 people per factory





Problems workers are facing – low wage long hour

- Typical worker gets minimum wage : MAX. 322 Euro/month for 40hr/week
- Living wage is about double of it
- MW varies across the country -> people are rushing to megacities
- MW frozen in recent years -> a government policy
- Overtime becomes an important source of income
- 60hr/week is typical -> close to the living wage

Problems workers are facing – work safety

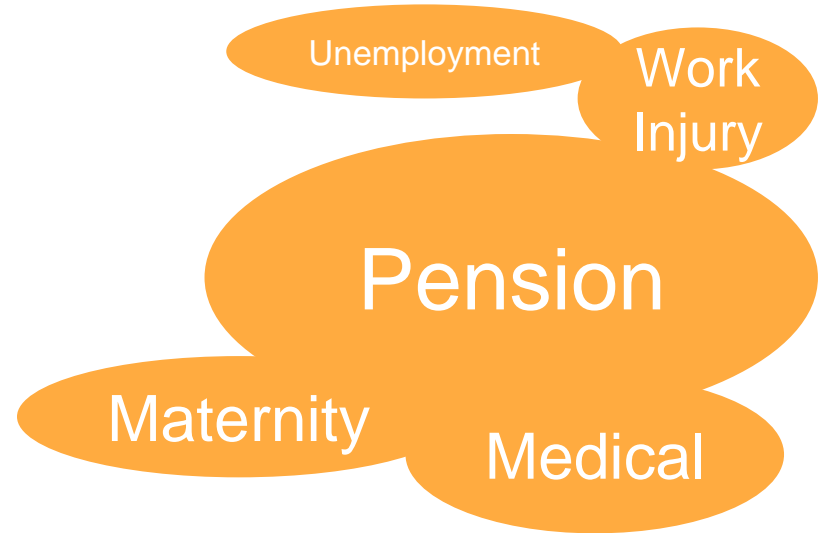
- Chemicals – e.g. benzene, n-hexane -> when cleaning the chips and PCBs
Campaign for banning benzene
- Hand injuries -> when making the glass touch screens
Occupation safety and health is the oldest issues we are working on
- Huge industrial disasters
- Long working hour, night shifts
- Harsh management
- Sexual harassment (~50% workers in this sector are female)
- Suicide -> STILL frequent after 2010

Problems workers are facing – force labour

- Students from vocational schools are sent to work as ‘internship’
- A requirement to graduate
- Students are not paid/badly paid
- Assigned SAME work as workers with little training
- Cooperation between local governments and major suppliers
- STILL an issue after 2017, when Apple is founded to produce in this way

Problems workers are facing – no social insurance

- Social insurance contribution is ~20% of salary
- In theory, all workers should join social insurance system
- Bosses do not pay the contribution
- Participation rate is <15%
- Workers are trying to fight back
 - > advocacy, strategic litigation, strike
- Some successful cases



Problems workers are facing – factory closure

- Related to industrial upgrade
- Factories closure -> becoming real estate projects
- Factory relocation -> moving to Southeast Asia or inland cities

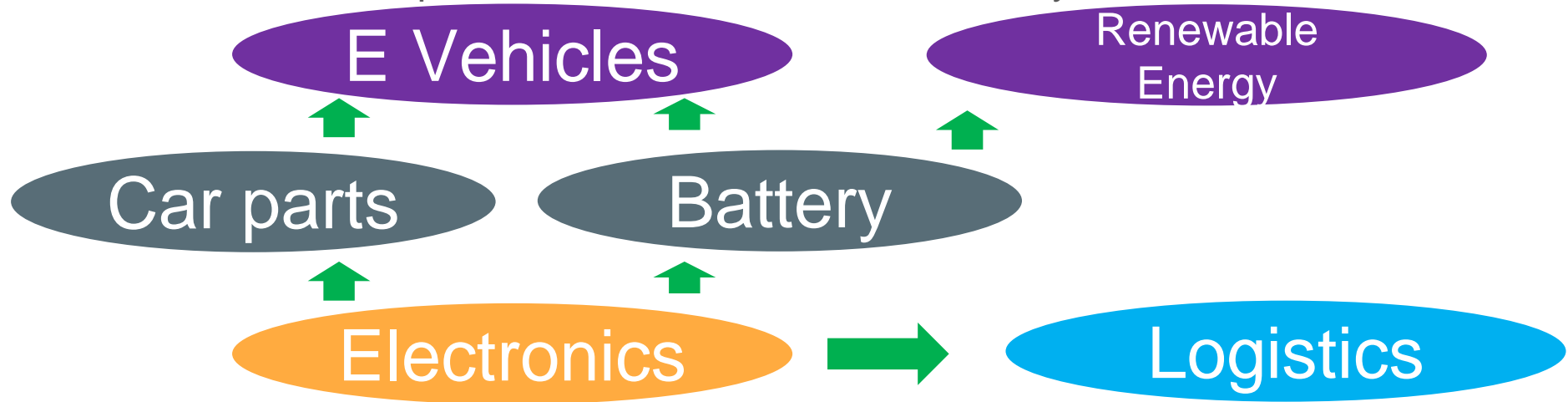
History repeats itself:

Europe and USA -> Japan, Taiwan, HK -> China -> SE Asia

- Workers lost their jobs -> often with unsettled salary and compensation
- Strikes

Recent developments – industrial upgrade

- Turning industrial centers to commercial/financial centers
- Factory sites becoming real estate projects
- Industries with higher value-added are encouraged: Battery, LCD, Solar panel
- Workers moving to service sector -> result of factory closure
- Decrease in export does not mean Chinese industry declines



Recent developments – repression of activists

- Chinese workers CANNOT organize independent unions
- Labour NGOs from HK work on Chinese labour issues for decades
- Local activism expands in recent decade
- Laws restricting NGO funding and international connection
- Surveillance, intimidation, prosecution, imprisonment
- Workers' self organizing repressed quickly by online surveillance



Recent developments – Coronavirus

- >70,000 infections, 2,000 deaths in China
- Most of the people cannot go out
- Production stopped for 1 month
- Government push for resuming work -> worries on another outbreak
- Workers' right of movement restricted
- Disruption in global supply chain

Recommendations - for production countries

- Laws regulating overseas investments
 - > Include labour and social impacts
- Monitor suppliers as a major buyer
 - > Requires transparency
 - > Minimum requirement: stick to local laws
 - > A better goal: humane management and living wages
 - > Existing networks on this issue
- Support Chinese labour activists

Recommendations - local

- European countries are production countries as well
- Workers' right in logistic sector
 - > Management automated, workers work under stress
- Problems with online shopping platforms
 - > Untraceable products are hard to monitor

Thank you