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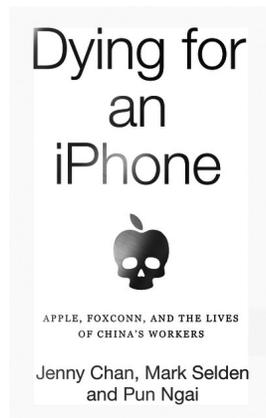
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### A Chinese Dystopia: Designed in California

*Dying for an iPhone: Apple, Foxconn and the Lives of China's Workers*

By Jenny Chan, Mark Selden, and Pun Ngai  
Haymarket Books, 2020  
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The title of this book is not metaphorical. Between January and November 2010, eighteen Foxconn workers attempted suicide, all but one by leaping from a high floor of their company dormitory. Four survived with injuries. Five were women and thirteen men, all between the ages of 17 and 25 years.

The suicides created an international sensation, both for Foxconn and for Apple, the iconic cell phone and laptop company that has contracted with a host of Chinese suppliers to manufacture a dazzling array of products. Foxconn was by far Apple's biggest contract manufacturer, and both companies scrambled to stop these tragedies. Foxconn beefed up its mental health outreach, closed off balconies, and erected nets extending outward from lower dormitory floors. Apple called for more inspections and better working conditions, but like

every other retailer and brand failed to accept legal or moral responsibility for what took place in the vast overseas supply chain that would manufacture the billion plus iPhones Apple sold in the next decade.

**Sociologists Jenny Chan, Mark Selden and Pun Ngai . . . offer both a business school analysis of the Apple/Foxconn symbiosis and a heart-rending story of the lived experience of the young men and women brutalized by life at the bottom of this enormous transpacific supply chain.**

Sociologists Jenny Chan, Mark Selden, and Pun Ngai were soon on the ground in Shenzhen, Wuhan, Chengdu, and other cities where Foxconn operated factories. They wanted to know why those men and women sought to kill themselves and who was responsible. Much of the research was undercover. They met with workers, supervisors, and government figures in shops, homes, offices, and beside hospital beds. They offer both a business school analysis of the Apple/Foxconn symbiosis and a heart-rending story of the lived experience of the young men and women brutalized by life at the bottom of this enormous transpacific supply chain.

Foxconn was founded by Terry Gou, a hard-driving Taiwanese entrepreneur, who calls himself the company's "decisive and righteous dictator." Aping Apple icon Steve Jobs, who told college grads to "Stay hungry, stay foolish," Gou has justified low wages by proclaiming that "Hungry people have especially clear minds." Beginning in the 1980s, Gou moved much manufacturing to mainland China. There he found three things necessary to flourish: a good transport and logistics infrastructure, a

continual supply of cheap, young labor, and a state apparatus repressive enough to keep workers in line. Foxconn became a giant company, employing a million or more workers in forty manufacturing complexes in nineteen provinces and in leading cities like Beijing and Shanghai that have provincial status. Other production and sales facilities are located in nearly thirty countries. Apple has other Chinese suppliers, but Foxconn remains the most important. Its understanding of high-volume, low-cost manufacture is unrivaled. From raw material extraction to processing to final assembly, Foxconn has built a flexible, sophisticated network. In China, it accounts for 4.1 percent of that nation's total imports and exports.

Although Gou's ambition extends beyond low-margin manufacturing, his efforts to move Foxconn into big data, semiconductor production, artificial intelligence, and health care electronics have largely stalled. Foxconn seems stuck at the bottom of a supply chain whose control is firmly situated in California. Plans to build multi-billion-dollar factory complexes in Wisconsin and Brazil have been drastically scaled back. And despite much talk of shop floor automation, Foxconn remains a labor-intensive manufacturer, requiring human hands and eyes to actually put together all those iPhones, Kindles, and laptops.

The financial imbalance is palpable. In 2010, the year of the suicides, Apple took a gross profit of 58.5 percent on each \$549 iPhone sold, whereas Chinese labor for components and assembly comprised just 1.8 percent of the cost of that iPhone. This disparity replicates the power relationship extant then and now in the electronics supply chain. For all of Foxconn's size and expertise, the company and its workers are squeezed by the dominant brands and retailers in Europe and North America. In 2018, Apple profits were about \$60 billion on revenues of \$265 billion, whereas those of Foxconn were just \$4.3 billion on revenues of \$175 billion. No wonder the value of Apple stock crossed the two trillion-dollar mark for the first time in 2020, making that private company the most valuable in the history of world capitalism.

For hundreds of thousands of workers, long hours, close supervision, and a tension-filled work regime are built into the Foxconn production process. Apple's relentless emphasis on an ever-changing array of new products creates massive, and sometimes unpredictable, spikes in consumer demand among millions of customers. "Inventory," says Apple CEO Tim Cook, "is fundamentally evil," so these demand surges hit Chinese workers with almost simultaneous impact, mandating speed-up, overtime, and suspension of rest days. Disciplinary actions, including cancellation of performance bonuses, deferred promotions, verbal abuse, and outright dismissal, are management tools designed to coerce workers to meet Apple production targets.

"We are working even faster than the machines," a worker told the authors. "Foxconn management values its engineers, but they are our enemies; we hate them." A century ago when Taylorite time-study men used stopwatches to observe and measure shop floor practice in U.S. factories, workers intentionally slowed their pace. Similarly, at Foxconn, stopwatches are a danger sign: "At best I can screw eight screws in seven seconds. But the faster I work, the higher the production quotas, so my co-workers and I slow the pace." Some things remain constant in the history of capitalist exploitation and resistance.

In this Fordist dystopia, "line leaders" at Foxconn face the same psychological and organizational conflicts as American foremen and forewomen during the heyday of Midwest manufacturing. Then industrial sociologists called them "the men in the middle," who were "masters and victims of doubletalk."<sup>1</sup> The authors of *Dying for an iPhone*, interviewing line leader Wang Fenghui in Shenzhen, might well have been talking to a foreman at Dodge Main in 1935:

Senior managers ask why your production quota was not fulfilled, and you must explain the problem . . . If we listen too much to our superiors, we have to mistreat workers below us. If we take care of the workers' feelings too much, maybe we won't complete our tasks.

Concluded Fenghui, "After work, if your eyes are glazed over, your head and face are filthy with grime, and there is a lifeless look in your eyes, you are a Foxconn worker!"

In Chinese coastal provinces where export manufacturing has boomed, workers have been in short supply even as real wages have been rising. The average age and tenure of Foxconn workers has increased and with it the potential for unrest and resistance. To solve this problem, the company and the Chinese state have adopted two programs: first, Foxconn has sought to move as much production as possible to inland provinces, closer to the home villages of many migrants, but also where wages and bonuses are lower than in Shenzhen. In Sichuan, where a devastating earthquake left nearly five million homeless in 2008, provincial officials nevertheless prioritized helping Foxconn as their "Number One Project." Soon Chengdu, the provincial capital, became known as iPad City.

But even in Sichuan, migrant rural folk were insufficient to supply enough labor. Who would fill the gap? Student "interns" coercively assigned factory jobs by teachers and technical institutes have provided a huge supply of cheap, contingent labor. During the summer of 2010, Foxconn employed 150,000 interns nationwide, 15 percent of its entire workforce. In Sichuan, all vocational schools were required to participate in the Foxconn internship program. The students learned nothing new; they were simply cheap labor, supervised not only by the company but also by their vocational schoolteachers who Foxconn paid additional monies to persuade students not to quit or make trouble. For the company, these interns are a flexible way to meet the periodic production surges required by Apple.

Foxconn, of course, is not the only company exploiting this labor source. As Lu Zhang has shown in her study of Chinese auto factories,<sup>2</sup> student interns have become a regular part of a three-layered employment hierarchy composed of regular, full-time employees on top, contingent workers in the middle, and student "interns" at the bottom. The government/corporate exploitation of such educational ambition has not been lost on a generation of Chinese youth, who have become increasingly reluctant

to attend vocational high schools. Their enrollment has declined from 22 million in 2010 to 15.5 million in 2018.

The suicides that so spectacularly precipitated the research for this book embodied an elemental refusal to accept the Foxconn life. But, of course, resistance has hardly been limited to such tragic episodes. In their insightful interviews with scores of workers and supervisors, the authors find that Foxconn workers are not without agency. Slowdowns, absenteeism, and the subtle sabotage of the quality production demanded by their line leaders take place with some frequency, especially when overtime is burdensome or managers have reneged on pay or perks promised to employees. Strikes take place as well when something egregious, like an industrial accident, failure to pay a bonus, or a beating by corporate security, spotlights managerial arrogance. If the strikers move outside factory gates, local police are often called, thereby turning the gathering into a "riot." It's Peterloo and Homestead all over again, if on a somewhat smaller and less bloody scale.

Foxconn and other Chinese companies sometimes make concessions to end these strikes, slowdowns, and demonstrations. Managers want worker grievances channeled into the government's labor arbitration system, which has handled nearly a million annual cases in recent years. It is not just that this system tilts toward the companies, but that even when workers win, the victory is of an atomized and individualistic character, retarding the growth of collective grievance and action. Meanwhile, there are plenty of strikes, protests, and even the formation of clandestine and autonomous trade unions, but company managers and government officials are united in their determination to brook no rival to the All-China Federation of Trade Unions, whose local units are almost always controlled by company officers or compliant local officials. At Foxconn, Chen Peng, special assistant to CEO Terry Gou, chaired the union for more than a decade beginning in 2007. With leadership appointed from above or selected in sham elections, many workers are either unaware or disdainful of their own union membership.

Exploitation and conflict are not the only phenomena explored in this penetrating book. There is poetry too, lines of worker verse evoking the sadness, hopes, and thwarted expectations of the lives glimpsed and interrogated by the authors. These workers want to get out of the dormitories, rent an apartment, find love, get married, and start a family. Their aspirations might seem prosaic, but this study of Foxconn demonstrates that their quest for bread and roses can be fulfilled only by a revolutionary transformation, not just of class relations within Mr. Gou's company but of the supply chains and state structures that imprison their hopes, stunt their ambitions, and institutionalize powerlessness.

**... [N]either China's government nor its private-sector managers find it useful to celebrate a firm, no matter how gigantic, that occupies the powerless bottom half of a transpacific supply chain.**

That imprisonment explains something about Foxconn as an avatar of contemporary capitalism. In *Behemoth: A History of the Factory and the Making of the Modern World*, a sweeping history of giant factories since the dawn of the industrial revolution, historian Joshua Freeman concludes his Foxconn chapter by asking why this huge production complex has never won the sense of national pride, heroic innovation, and world-transforming achievement associated with Manchester's nineteenth-century textile mills, Carnegie's steel works, Ford's River Rouge, and the Stalinist new cities at Magnitogorsk and Nowa Huta.<sup>3</sup> Part of the reason arises from the secretiveness of Gou and other contract-manufacturing executives: in contrast to the Rouge in its heyday, no tourists are proudly squired from foundry to tool room to final assembly. But even more consequential, neither China's government nor its private-sector managers find it useful to

celebrate a firm, no matter how gigantic, that occupies the powerless bottom half of a transpacific supply chain. It is the Silicon Valley tech wizards who lay claim to "changing the world," whereas in China national pride is centered on the fast trains, modern airports, and thrusting skyscrapers that embody the renewal of an ancient nation.

But there is something else going on here as well that explains the shadows into which Foxconn and its workers have fallen. It is not just that they are exploited and immiserated. That has been an industrial constant for decades, West and East. Rather, Foxconn, for all its linkages to high-tech innovation, represents industrial stasis. The bloom is off China's forced draft rush toward industrialization. Despite the tired sloganeering of both the Chinese state and Foxconn managers, no vision of a new world a-coming can be sustained. And this sad reality infuses a book whose prologue records the suicides of fourteen young workers.

#### Notes

1. F. J. Roethlisberger, "The Foreman: Master and Victim of Double Talk," *Harvard Business Review*, Spring 1945, available at <https://hbr.org/1965/09/the-foreman-master-and-victim-of-double-talk>.
2. Lu Zhang, *Inside China's Automobile Factories: The Politics of Labor and Worker Resistance* (New York: Cambridge University Press, 2015), 49-81.
3. Joshua B. Freeman, *Behemoth: A History of the Factory and the Making of the Modern World* (New York: W.W. Norton, 2018), 309-13.

#### Author Biography

**Nelson Lichtenstein** is research professor at the University of California, Santa Barbara. His most recent book, *Capitalism Contested: the New Deal and Its Legacies* (University of Pennsylvania Press, December 2020), is edited with Romain Huret and Jean Christian-Vinel.