



Made within/outside the EU: what's the difference?

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In a dormitory beside a railway station there are several hundred migrant workers getting ready for – or else just returning from – their 12-hour shifts in the nearby Foxconn factory. Most of them were recruited by Express People, one of the Czech Republic's 1,300 temporary work agencies. Each of the dormitory's rooms is shared by four workers who have to make do with a run-down kitchen, foul-smelling bathrooms and un-lockable toilets. 80 people per floor share a dozen lukewarm showers. "I'm looking for a job with Foxconn", some graffiti ironically announces. "Fuck Express People", exclaims an author of a more demonstrably realist persuasion.

Foxconn, a Taiwanese multinational company, is the largest electronic manufacturing firm in the world. It entered the electronics market in the Czech Republic in the year 2000 by acquiring a socialist conglomerate's infrastructure in Pardubice, about 100 km from Prague. Seven years later it built a new factory in nearby Kutná Hora. Both plants assemble desktops, laptops, servers and printer cartridges for major brands such as HP, Sony, Samsung, Chimei, Innolux, Cisco and, until a couple of years ago, Apple. While Foxconn also

operates in Hungary, Slovakia, Turkey and Russia, it is its Chinese factories that have fallen under the journalistic and academic spotlights. It is from China, for example, that we hear of enduring workers' strikes, excessive and unpaid overtime, unhealthy and unsafe working conditions and forced student labour related to Foxconn operations. More notoriously, it is also from China that we have received news of Foxconn's militarised disciplinary regime and workers' suicides.

So just how different is the situation in Europe? Last year, with my colleague, Devi Sacchetto from the University of Padua, I set out to answer this question. We had a clear research agenda from the outset – to gain information about the composition of Foxconn's workforce, its management practices, the organisation of production and reproduction, the role of the state and the reach and impact of trade unions. We conducted 70 interviews in the Czech Republic and 30 in Turkey with current and former Foxconn workers and managers, trade union representatives, government officials and NGOs. Between the 2 factories in the Czech Republic there are 9,000 workers while the one in Turkey has 350 workers. Differences in scale notwithstanding, we found four international continuities, briefly outlined below.

Firstly, Foxconn's production pivots on a flexible and available workforce. In the Czech Republic, it achieves flexibility by employing 40% of its workforce through temporary migrant agencies (paid €2-2.5 per hour compared to core workers who are paid €3-3.5 per hour). These workers – who we earlier met in their dormitories – are transported back to their countries of origin when work is scarce. Otherwise, they are given notice of their shifts at best a week in advance, at worst on the same day. In Turkey, where all the workers are employed directly, Foxconn achieves flexibility by varying the working hours from 30 to 60 per week, production needs depending. The shifts are between 10 and 12 hours – day or night – and workers receive details about their next shift about 24 hours before, by text message.



Foxconn electronics factory in Shenzhen, China. Credit: [Steve Jurvetson](#).

Secondly, in both countries, Foxconn's strategy is to drive down labour costs. In the Czech Republic, in addition to cutting costs through temp agencies, savings are also found via the 'fund-system for core workers on 12-hour shifts. These have to work a total of 930 hours in six months: they receive the same salary each month regardless of how many hours they worked above 930 yet end up 'owing' hours to Foxconn if they fail to meet the quota. In Turkey, Foxconn takes advantage of two government-run programmes to recruit workers as a means of driving down labour costs. The first provides internships for high school students (paid €100 a month for 3 days of work per week) and the second, funded by the government through local employment centres, involves apprenticeships geared towards unemployed people (paid between €7.5 and 9.3 per day for 8 hours of work). Current Turkish legislation also permits Foxconn to average out an individual's working hours to 45 hours a week over a two-month period, allowing the firm to avoid paying overtime on a week-to-week basis.

Thirdly, both sets of operations are supported by the state, beyond the sanctions mentioned above. In the Czech Republic, Foxconn enjoyed a 10-year tax holiday and is also exempt from the EU's high tariff barriers such as the 14 per cent import duty on LCD TVs. In Turkey, the factory is located in the European Free Zone close to the city of Çorlu, about 100 km from Istanbul. Here Foxconn is exempt from VAT and taxes on profit and wages on the condition that at least 85% of its produced goods are exported.

Finally, in both the Czech Republic and Turkey, the influence and reach of the trade unions is extremely limited. In the Czech Republic, the trade union is plant-based, but its levels of membership are low and they are forbidden from recruiting workers on the shop-floor. Furthermore, the union tends to only be concerned with issues concerning core workers, to the detriment of the migrant agency workers. In Turkey, trade unions are sector based and the only real kind of negotiation takes place within unionised factories. Having initially hired some unionised workers and following [the strike](#) of the Korean Daiyang factory in the European Free Zone, Foxconn management made workers gave up their union membership.

The research remains ongoing, with the next stage of our field work bringing us from the work of inter-national to that of inter-continental comparison. By extending the research to mainland China, we hope to make the global conditions of production even more visible. What our research is already showing is the need to move away from examining Foxconn within a single national framework as a means of investigating the global organisation of its production. We have organised a major workshop on the [Forms of Labour in Europe and China: The Case of Foxconn](#) which takes place on the 26-27 June 2014, at the University of Padua, towards this end.

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