



TECHNOLOGY & MEDIA

Should Americans Care About Apple's iPhone-Factory Conditions?

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Foxconn, one of Apple's Asian contractors, produces an estimated 40% of the world's consumer electronics

The *New York Times* is out with the **second installment** of its iEconomy series, which explores high-tech manufacturing in an era of globalization. Not surprisingly, Apple, America's top technology company, is a central focus of the series. The **first piece** came out last weekend and described why so many consumer electronics — including Apple's iPhone and iPad — are produced in Asia: it's vastly cheaper than building them in the U.S. Although outsourcing and the consequent demise of the U.S. manufacturing sector is a perennially hot political issue, the economics of globalization suggest that U.S. jobs lost to cheaper overseas competition won't be coming back.

Thursday's article focuses on working conditions at factories run by Apple's Asian contractors, including Foxconn, which produces an estimated 40% of the world's consumer electronics. It paints a grim picture and raises questions about the effectiveness of Apple's supplier code of conduct, which sets standards for labor issue and safety protections. Apple says that when it discovers violations, it requires improvements. But the article suggests there are limits to Apple's influence over the sprawling factories run by its contractors. And the company has even less impact on company plants that supply its contractors.

(MORE: \$100 Billion Question: What Should Apple Do with Its Cash?)

So will we see some kind of movement to boycott Apple products, akin to the campaign several years ago to pressure Nike to improve working conditions in its factories? Seems unlikely at the moment. "You can either manufacture in comfortable, worker-friendly factories, or you can reinvent the product every year, and make it better and faster and cheaper, which requires factories that seem harsh by American standards," an anonymous current Apple executive told the *Times*. "And right now, customers care more about a new iPhone than working conditions in China."

Among the highlights (or lowlights) of the article:

Employees work excessive overtime, in some cases seven days a week, and live in crowded dorms. Some say they stand so long that their legs swell until they can hardly walk. Underage workers have helped build Apple's products, and the company's suppliers have improperly disposed of hazardous waste and falsified records, according to company reports and advocacy groups that, within China, are often considered reliable, independent monitors.

(MORE: Apple Reports Record Profits on Massive iPhone and iPad Sales)

Several high-profile disasters have occurred at factories run by Apple contractors:

Two years ago, 137 workers at an Apple supplier in eastern China were injured after they were ordered to use a poisonous chemical to clean iPhone screens. Within seven months last year, two explosions at iPad factories, including in Chengdu, killed four people and injured 77. Before those blasts, Apple had been alerted to hazardous conditions inside the Chengdu plant, according to a Chinese group that **published that warning**.

One former Foxconn manager offered a scathing assessment of Apple priorities:

“Apple never cared about anything other than increasing product quality and decreasing production cost,” said Li Mingqi, who until April worked in management at Foxconn Technology, one of Apple’s most important manufacturing partners. Mr. Li, who is suing Foxconn over his dismissal, helped manage the Chengdu factory where the explosion occurred.

“Workers’ welfare has nothing to do with their interests,” he said.

Adds a former Apple executive (emphasis added):

“We’ve known about labor abuses in some factories for four years, and they’re still going on,” said one former Apple executive who, like others, spoke on the condition of anonymity because of confidentiality agreements. “Why? **Because the system works for us. Suppliers would change everything tomorrow if Apple told them they didn’t have another choice.**”

“If half of iPhones were malfunctioning, do you think Apple would let it go on for four years?” the executive asked.

Apple declined to comment for the story. It will be interesting to see if this series spurs consumers to put any pressure on Apple to do more to improve conditions in its supplier factories.

(OBIT: Steve Jobs, Inventor of the Future)

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