

Foxconn raises worker pay by 30 pct after suicides

June 2 2010, By ANNIE HUANG , Associated Press Writer



In this Feb 24, 2010 file photo, a recruiter from Foxconn talks to job applicants outside the factory in Shenzhen in southern China's Guangdong province. Global manufacturers struggling with life-or-death pressures to control costs are finding that the legions of low-wage Chinese workers they rely on have limits. A strike at Honda Motor Co. and the official response to a spate of suicides at Foxconn Technology, a maker of electronics for industry giants such as Apple, Dell and Hewlett-Packard, suggests China's leaders are at least tacitly allowing workers to talk back. (AP Photo, File)

(AP) -- Taiwan's Foxconn Technology Group, shaken by a spate of suicides at its China plants, said Wednesday it is raising the pay of workers by 30 percent, a greater increase than first planned.

The company, which makes iPhones, iPads and other [electronic gadgets](#), said the pay increase will take effect immediately at its plants across

China.

"With the pay raise, we hope workers don't need to work overtime as much and thus gain more time for leisure and have a happier working environment," said a Foxconn official who asked for anonymity because he was not an authorized spokesman.

"It may also help cut the turnover rate and raise productivity and product quality level," he said.

The basic salary at Foxconn's China plants is currently about 900 yuan (\$130) per month.

Foxconn had been considering raising pay for months to cope with a [labor shortage](#) following China's recovery from the [global recession](#). The eventual raise is higher than the 20 percent the company had initially planned.

Ten workers have killed themselves and three have attempted suicide at Foxconn's operations in southern China this year, involving mainly workers who jumped from buildings. The most recent [suicide attempt](#) involved a 25-year-old man who slashed his wrists in the factory dormitory last week. One additional Foxconn worker in northern China also committed suicide this year.

Labor activists accuse the company of having a rigid management style, an excessively fast assembly line and forced overwork. Foxconn denies the allegations.

The company, part of Taiwan's Hon Hai Precision Industry Co., is the world's largest contract maker of electronics. Its long list of big-name customers include Apple Inc., Sony Corp., Dell Inc., Nokia Corp. and Hewlett-Packard Co.

Last week, [Foxconn](#) Chairman Terry Gou led a media tour of the company's mammoth industrial park in Shenzhen and promised to work harder to prevent more deaths.

Safety nets were being installed on buildings and more counselors were being hired. He also said all employees were being divided into 50-member groups, whose members would watch for signs of emotional trouble within their group.

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