



Published by the European Trade Union Institute (ETUI), 2016  
ISBN: 978-2-87452-400-4

This publication is available at:  
[www.etui.org/Publications](http://www.etui.org/Publications)

For more information, contact  
Jan Drahokoupil  
[www.etui.org/About-Etui/Staff/Jan-Drahokoupil](http://www.etui.org/About-Etui/Staff/Jan-Drahokoupil)

For printed copies, send your order to  
Veerle Raes, [vraes@etui.org](mailto:vraes@etui.org)

European  
Trade Union Institute  
bd du Roi Albert II, 5  
1210 Brussels  
[www.etui.org](http://www.etui.org)  
[etui@etui.org](mailto:etui@etui.org)



The ETUI is financially supported by the European Union. The European Union is not responsible for any use made of the information contained in this publication.

# Flexible workforces and low profit margins: electronics assembly between Europe and China

Edited by Jan Drahokoupil, Rutvica Andrijasevic and Devi Sacchetto

This book investigates restructuring in the electronics industry and in particular the impact of a 'Chinese' labour regime on work and employment practices in electronics assembly in Europe. Electronics is an extremely dynamic sector, characterised by an ever-changing organisational structure, as well as by cut-throat competition, particularly in manufacturing. Electronics assembly has become notorious for poor working conditions, low unionisation and authoritarian labour relations.

Foxconn, the world's largest electronics manufacturing service provider, is examined in detail. The book analyses the labour regime that Foxconn has exported from mainland China to Europe and the factors influencing the adaptation of the firm's practices in different European countries. The book provides a basis for identifying challenges involved in organising workers and opportunities for improving working conditions in the electronics industry through labour representation.

## Key findings

- The work organisation and employment relations in Foxconn's Chinese operations are characterised by military discipline and ideology, task simplification and intensive work combining the production and reproduction of labour power in huge industrial compounds.
- The electronics sector is characterised also in Europe by the proliferation of anti-union practices and the destruction of effective labour voice.
- Foxconn has adapted its work and employment strategies in its European subsidiaries. Czech, Turkish and Hungarian factories present some analogies with – as well as a number of differences from – Chinese plants. In the case of the Czechia the use of dormitories is, as in China, fundamental to the management of a just-in-time production process. In the Turkish factory, the use of student interns and apprenticeships funded by the government is very similar to that found in Chinese factories that rely heavily on student labour. Finally, the Hungarian case highlights how the state and its labour regulations enable Foxconn to achieve extremely high flexibility with regard to the workforce.
- Among the differences between Chinese and European factories, the most important is the hour-bank system found in all European plants and that allows Foxconn to deploy flexible labour to meet the needs of just-in-time production. Temporary work agencies in the Czechia and Hungary play a key role in managing and stratifying the labour force.
- While strikes in the electronics assembly industry in Europe are few and far between, in mainland China workers' collective actions – supported mainly by migrant workers from the countryside – have steadily intensified since the mid-1990s.

**etui.**

## Policy recommendations

- Given the subordination of manufacturers to the hierarchical governance model of the electronics industry, initiatives and organising geared to improving pay and working conditions should focus not on one assembler alone but rather on the electronics supply chain as a whole, so as to change the distribution of profits in the chain.
- Trade unions need to understand the importance of the dynamic composition of the workforce, in particular workers' nationality, gender, class, age and citizenship status. These social factors could be used by the trade unions to identify the needs and priorities of different groups of workers and consequently to develop more inclusive unionisation strategies.
- In Europe, protection offered by labour codes makes a big difference to working conditions in the plants. There is a need to address weak industrial relations institutions in central and eastern Europe where much of electronics production is located.
- Labour inspectorates should actively enforce the labour code and the principle of equal conditions for all workers. Effective strategies must also focus on covering the entire value chain rather than individual companies. The institution of end-user liability would help authorities and trade unions in addressing the working conditions of migrant and agency workers who are often left without effective representation.
- Stronger national trade union positions would be achieved by extending activities into dormitories and local communities so as not to leave the organisation of migrant labour completely in the hands of agencies.
- Ultimately, trade unions need to take advantage of institutions allowing for trans-national coordination, such as the European Works' Councils.

### Further information

This publication is available at [www.etui.org/Publications](http://www.etui.org/Publications)