

Made in the EU: Foxconn in the Czech Republic

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Abstract

Next to its 32 factories in mainland China, Foxconn has other 200 factories and subsidiaries around the world on which there is little or no data. This article focuses on plants in the Czech Republic, Foxconn's most important European site and the hub for export-oriented electronics industry. It asks whether there are similarities between Foxconn's Chinese and European sites, two locations commonly imagined as separate and opposite in their management practices and treatment of the workforce. Drawing on 60 interviews with workers and privileged informants, the article outlines the labour process, forms of control, composition of labour, the role of the state, and the reach and impact of the trade unions in Foxconn's Czech plants. It makes visible the deterioration of working conditions in the Czech Republic Union, both under European Union regulations and just-in-time production by multinationals, and suggests that in order to understand the ongoing changes there is a need to move away from the idea of labour and labour markets as solely domestic actors and towards a discussion on globally integrated politics of production.

Keywords: Foxconn, Europe, labour process, migration, contract manufacturing, temporary work agencies, trade unions, dormitories

Introduction

Foxconn, a Taiwanese multinational company, is the largest electronics manufacturing firm in the world. In mid-2010 its workforce was estimated at 1,000,000 workers worldwide, with

more than 900,000 in the People's Republic of China (PRC) alone. Foxconn is best known for being the main assembler of Apple's iPhone and iPad and for harsh working conditions at its PRC's factories. These have fallen under close journalistic scrutiny that brought to light Foxconn's militarised disciplinary regime,¹ unhealthy and unsafe working conditions², workers' suicides,³ excessive and unpaid overtime,⁴ forced student labour⁵ and enduring workers' strikes.⁶ Researchers and activists alike have focused their attention on Foxconn in order to highlight the rise of the global factory regime model and to illustrate how Foxconn's expansion in the PRC has been facilitated by a state-driven globalisation process and a state-capital alliance that has resulted in both astonishing economic growth and heightened social inequalities (Chan and Pun, 2010; Pun and Chan, 2012; Pun et al, 2010). Attention has also been paid to new modes of management and labour control, like Foxconn's military corporate culture, implemented as part of its global factory regime, and the forms of labour resistance developed in reaction to this model in the PRC (Chan et al., 2013; Pun and Huilin, 2010; SACOM, 2010).

In Europe, Foxconn has set up shops in the Czech Republic, Hungary, Slovakia, Turkey and Russia. Radosevic notes that, among emerging markets, Central and Eastern Europe (CEE) has developed into the second-tier global location in the electronics industry just behind East Asia. This is due, in particular, to regional competitive advantages such as low labour costs, skilled labour and proximity to the European Union (EU) market. Hungary and the Czech Republic between them generate 77 per cent of CEE regional electronics exports (Radosevic,

¹ http://www.nytimes.com/2012/01/26/business/ieconomy-apples-ipad-and-the-human-costs-for-workers-in-china.html?pagewanted=all&_r=0

² <http://www.theguardian.com/commentisfree/2013/aug/05/woman-nearly-died-making-ipad>

³ <http://www.telegraph.co.uk/news/worldnews/asia/china/9006988/Mass-suicide-protest-at-Apple-manufacturer-Foxconn-factory.html>

⁴ <http://www.guardian.co.uk/technology/2012/feb/20/foxconn-apple-china-wages>

⁵ <http://www.theguardian.com/world/2013/oct/20/forced-labour-china-economic-miracle>

⁶ <http://www.labornotes.org/2013/08/china's-young-workers-fight-back-foxconn#sthash.3rsPHzDk.dpuf>

2004). Despite the fact that the company operates seven plants in Europe, remarkably little is known about Foxconn there.¹

The data and reflection presented here are part of a bigger research project investigating Foxconn's production in Europe. We conducted ethnographic fieldwork in the Czech Republic between February and September 2012 with the aim of gaining an insight into Foxconn's workers' experiences, the company's modes of management and the role of the state. We gathered interviews with 48 Foxconn workers and several other key informants (representatives of the local Labour Office and Labour Inspectorate, two managers of TWAs, a delegate of the Ministry of Labour and Social Affairs, a representative of the Metalworkers Federation, KOVO, and two representatives from the Czech-Moravian Confederation of Trade Unions, ČMKOS).² All interviewees were aware that they were talking to university researchers, were informed about the scope of the research and gave their consent to be interviewed. The workers we interviewed were aged between 25 and 65, both men and women, and were either employed directly by Foxconn or indirectly via Temporary Work Agencies (TWAs). The majority of directly employed workers were Czech nationals, while the others were workers from neighbouring EU countries or migrants from Vietnam, Ukraine and Mongolia. Interviews with workers were conducted outside the workplace environment, in bars, parks and dormitories, to guarantee interviewees' anonymity. Additionally, all workers' names have been replaced by pseudonyms and any other information distinctive enough to lead to identification has been removed. We informed Foxconn's Human Resources Department about the research but both them and the TWAs' management refused to meet us and be interviewed. During the fieldwork we stayed in the same dormitories as the workers. Unlike dormitories in mainland China, several dormitories in the Czech Republic rent out the majority of their rooms to the TWAs but also double as 'hotels' in that they take

in paying guests. Staying at the dormitories offered valuable opportunities for observing the functioning of the dormitories and workers' interactions and routines.

In this article we take a closer look at Foxconn's labour recruitment strategies, the social composition of the labour force, the level of turnover, the relationship between managers and workers, and the presence, reach and the impact of the trade unions. While there is no numerical comparison with the Chinese factories, we suggest here that the practices employed in the two Czech factories reveal new frontiers in labour organisation and management for the European employment system. Finally, a word about the style and the intent of the article. The article is descriptive rather than analytical as our aim is to provide readers with a broad, yet detailed, overview of Foxconn's operations in the Czech Republic. We also included in the text extensive interview excerpts in order to give visibility and voice to Foxconn's workers. The decision to keep the text descriptive and make workers voices prominent is a political one: we are hoping to pass on information and observation to other scholars, activists and practitioners that will prompt them to research Foxconn's operations in location other than mainland China and to develop strategies that will put pressure on Foxconn to improve conditions within its factories.

Made in the EU Chinese-style?

The Czech Republic is the hub for an export-oriented electronics industry in Europe and Foxconn's most important European site. In 2000 Foxconn acquired a pre-existing socialist conglomerate's infrastructure in Pardubice, about 100 km from Prague. It had belonged to the Tesla Group, henceforth referred to as HTT Tesla. The Pardubice plant employs,

directly or indirectly, a workforce of 5,000-6,000. In 2007 Foxconn built a new factory in nearby Kutná Hora, where it employs 2,500-3,000 workers. Production in the Czech Republic is geared towards the western EU market, and it enables Foxconn to label products 'Made in the EU' rather than 'Made in China'. Manufacturing production is attracted by the possibility to avoid the EU's high tariff barriers, as for example the 14 per cent import duty on LCD TVs (Taiwan Review, 2006) and it is supported by an effective 'state machine' that several CEE countries have put in place in order to attract foreign direct investment (Drahokoupil, 2008). CzechInvest, the investment and business development agency of the Czech's Ministry of Industry and Trade assisted Jim Chang, Foxconn's managing director to find the most suitable location for a set up of the manufacturing plant and subsequently Foxconn enjoyed a 10-years tax holiday, from 2000 until 2010 (Evertiq, 2007).

Czech plants assemble desktops, laptops, servers and printer cartridges for major brands such as Hewlett-Packard (HP), Sony, Samsung, Chimei, Innolux, Cisco and, until a couple of years ago, Apple.³ The two Foxconn factories are quite similar with regard to the recruitment and organisation of work. In both towns, expectations for the opening of the factories were high because the local government was convinced the company would bring jobs for the local workers. According to some interviewees, however, when Foxconn arrived in 2000 it imposed substantially lower average wages than those previously prevailing in the area. Consequently other companies lowered their wages in line with the level set by Foxconn. The workforce operates in departments (i.e. units) rigidly divided by brand (i.e. customer). This segmentation between brands, in addition to the vertical division between departments, prevents mutual understanding between the workers and, as

we shall see, it allows the growth of friction and misunderstandings. A female employee from the IT Department put it like this:

I don't have a feeling that there are people below me, working on the assembly line. I have no opportunity to meet workers, especially those in production. I meet only the colleagues of my Department. For me, assembly line is only numbers or words ... assembly line sounds very theoretical to me. (Svatava, Czech core worker)

The initial recruitment of workers for the Foxconn factories took place via local job centres. The company's first step in Pardubice was to select a part of the workforce formerly employed by HTT Tesla, particularly the youngest workers and those who knew English. Former HTT Tesla employees hired by Foxconn experienced significant changes both in relation to management and to their working conditions. From a monolingual and national model of HTT Tesla, workers at Foxconn had to confront Taiwanese, Chinese and British managers who took over coordination and supervision in the different departments. Foreign managers attempted to change the attitude of workers in line with business needs. Even so, after twelve years the new management model does not seem to have swept away all the old labour and life habits of workers. A retired female administrative worker, initially with Tesla and later with Foxconn, describes those early changes in the following way:

In the past [at HTT Tesla], we worked from 6am until 2.30 pm and now it is from 8am to 4.30pm... When Foxconn took over [in 2001], if there was a problem at 4pm, one could not leave until that problem got solved. One cannot say 'no' and even if you are already at home, and something needed to be done, Chinese

managers would pick you up, bring you to the office to do it and then take you home after it was done. It happened to me that I was picked up after work at 6pm, taken to work and then brought back at 11pm. With the new Foxconn management, things had to get done and had to get done immediately ... When Foxconn started they expected to create in Pardubice something like in Shenzhen. Loyalty is important there. But here, things do not work that way and people do not function like that. So, the Chinese were wrong. (Ivona, former Czech core worker)

The attempt to implement new managerial ideas and labour processes was pursued not only through the presence of foreign managers, but also by sending Czech engineers to the PRC. A group of Czech engineers spent one month in Shenzhen Longhua factory in mainland China, where they underwent intense training:

I stayed in China for a month with other 20 Czech workers. It shocked me but it was also interesting because it was quite a military regime. We were accommodated in a hotel inside the factory complex. We would start at 8am and finish at 7pm and had to write reports every two hours on what we were doing and learning; and again at the end of the day, at the end of the week and at the end of the month – both about our own progress and the quality of training we were receiving. (Borek, former Czech core worker)

The division of work and the division of workers

As well as the division into departments, the workforce is divided distinctly between core workers, hired directly by the company, and temporary workers, hired via TWAs. The percentage of agency workers remains steady at about 40 per cent, although at times, as in 2009, it has reached as high as 60 per cent (Bormann and Plank, 2010: 41). At Pardubice plant, 2,000-2,500 of the 5,000-6,000-strong workforce are agency workers; at Kutná Hora, the number is 1,000-1,500 of the total of 2,500-3,000 workers. Broadly speaking, Czechs fill the role of core workers, and migrants from neighbouring EU countries that of temporary agency workers. Supervision is carried out by Czech and, to a lesser extent, Slovak core employees. Unfortunately, we were unable to obtain information on how many of the core or agency workers are men and how many women.

The division between core and agency workers is made explicit by the different coloured uniforms workers wear: 'Trainer is dressed in a violet T-shirt, group leader in green, quality control in yellow, line-leader in white, supervisor in black and storage in red' (Cezara, Romanian agency worker). The two groups are also divided by a wage differentiation. For core workers' the hourly wage is around €3- 3.50, which means that they earn about €550-600 net per month. The agency workers are paid less, earning around €2-2.50 per hour, or about €350-420 per month net. The difference between core and agency workers' wages is retained as profit by the TWAs that, next to mediating 'employment' between the workers and Foxconn, also arrange for EU workers' transport from their countries of origin and back, and for accommodation in the dormitories. Foxconn pays TWAs' per hour per each agency worker.⁴ The wage increased during the first decade of 2000, but then it went down in 2010 following the economic crises. Czech Republic wages are higher than in other CEE countries: in 2012 the net wage average was about €700-750 while the minimum wage remained at about €330. Two thirds of workers

earn less than the nationwide average and women are penalized by getting an average of 20 per cent less than men (Czech Statistical Office 2014; Mysíková 2012). In Foxconn, as in other enterprises the level of the wage is linked to individual qualifications, the tasks being carried out, and the number of night shifts, overtime and bonuses. Core workers, for example, do not want to work on the assembly line because the wages are too low: on the assembly line Foxconn core workers earn about 12,000-13,000 Czech Crowns (CKZ) per month (about €487-528) while a supervisor earns 20,000 CKZ (€812). To overcome this problem, management provide additional bonuses if workers reach high production levels: 'My monthly wage is about 12,000 CKZ (€487) and then I have a bonus of 1,000 CKZ (€40)' (Saikhan, Mongolian core worker).

Company policy does take account of levels of formal education but only when it comes to administration, engineering and managerial jobs. The workers on the assembly line are not selected on the basis of education but, rather, on the basis of their age and the ability to maintain fast production rates. A worker we interviewed puts it like this:

In my opinion, education does not seem that important in the factory as I work with other two people on the same position: one guy has no school but a lot of experience, one has high school with the exit exam and I went to the high school but did not pass my final exam. So, all three of us have different levels of but we all work on the same position. So, I think that the level of education is actually not important. (Rupert, Slovakian core worker)

Schematically, the internal division is as follows:

- 1) Czech, British and Chinese 40-50 year olds, mostly male, perform managerial tasks. They often have a bachelor's degree and are hired on a permanent contract. Most of them speak English and are part of the transnational elite.
- 2) Czech workers and a small number of migrant workers, aged between 30 and 50, are engaged in the administrative offices and the Human Resources department. They have at least upper secondary school education, but often have a college degree. They have a permanent contract and some basic knowledge of English.
- 3) Czechs and Slovaks in their thirties and forties, usually male, with permanent contracts perform tasks as foreman, supervisor and group leaders. They have a technical level of education and are often married and have children. The same tasks are also carried out by a handful of EU migrant workers who either have a permanent contract or are hired by the agencies as coordinators.
- 4) Male and female 20-30 year old Czechs and Slovaks, along with a small number of EU migrant workers on temporary contracts of two to three months (up to two years) perform various tasks on the assembly line and elsewhere. They have vocational or technical levels of education and often stay in the factory just a few months.
- 5) EU migrant workers (mostly Slovak, Polish, Romanian and Bulgarian), along with some Czech and non-EU migrants, recruited by TWAs, carry out assembly-line jobs. These are mostly young people predominantly not married and without children, aged 20 to 35 years. A limited number of these act as group-leaders and interpreters. The education levels and previous work experience vary greatly: some have previous international experience, while for others this is their first work abroad.

- 6) Non-EU migrants (Vietnamese, Mongolian and Ukrainian), who are recruited and/or employed by Foxconn directly, take tasks on the assembly line in repair, and also work as computer technicians or foremen. A lot of these workers, both men and women, have medium education levels and they are often technicians.

Different working conditions

Shifts and working hours are different for core and agency workers and the latter are likely to work longer and more irregular shifts than core workers. The hour-shifts system divides workers into three groups. First, Foxconn employees work 8-hour day, and in some cases night shifts for a total 37.5-hour working week. Second, Foxconn employees work 12-hour shifts, day and night, three times a week, and are available for other potential shifts in the same week. Third, there are agency workers who work 12-hour night and day shifts almost exclusively, although they work for five or more days a week only during periods of peak labour. This shift system, with some exceptions, takes into account national legislation that stipulates a maximum working week of 48 hours including overtime. This works out at 8 hours overtime per week, or 416 hours per year. This legislation has its paradoxes, as a trade unionist explained:

It does not matter how these shifts are organised and how long the shifts are if they do not exceed 40 hours a week. So, 12-hour or 24-hour shifts are OK. One can also have two full-time contracts at the same time. That is not illegal. There is a pressure from the EU to amend 48 hours to 56 hours per week as it is in the EU-15.

(ČMKOS, Prague)

There are different rules for workers on 8- and 12-hour shifts. Those who work 8-hour shifts have 22 days of annual leave and those on 12-hour shifts have the right to 15 days' leave per year. While the former are paid overtime on an hourly basis, the working hours of the latter group are regulated by the so-called 'fund-system.' The fund-system has been operational for nearly two years. It was established by a collective agreement with the aim of putting in place a significant hourly flexibility for the company. Workers on the 12-hour shift have to work a total of 930 hours in six months. They receive the same monthly salary whether they work more or less than that 930 hours in six months. However, what gets lost in the fund-system is any supplement for weekend working as weekend and weekdays are treated the same and paid at the same flat rate.

Moreover, the fund system has a regulatory function. It is used to organise the working shifts. This means that management can put to work those who have not accumulated the necessary hours, and can temporarily exclude from production those who have already worked a sufficient number of hours. Hence, when there are no orders and workers work a low number of hours, the hours that they have not worked that month are held over to the following month: 'In March 2012, I worked only nine days [of 12 hours] and other hours were taken from the fund so I ended up "owing" hours to Foxconn but I still received my regular wage' (Gombo, Mongolian core worker).

The fund-system is driven by production orders, and it has advantages and disadvantages for the workers. On the one hand workers are guaranteed a fixed monthly salary. On the other, however, they become 'indebted' to the company. Because their hours are calculated over a period of six months, workers on 12-hour shifts are bound to Foxconn both in the

company's attempts to get them to 'repay' their hourly 'debt' and in their own attempts to be paid any outstanding overtime at the end of the six months.

The situation of agency workers is rather different. Agency workers are paid only for the hours they work. The majority of agency workers are put, almost exclusively, on a 12-hour shift whether day (6am–6pm) or night (6pm–6am). These are considered 'normal' working hours. A shift of 12 hours, as with the schedule followed by workers in Foxconn's factories in the PRC, allows for a better organisation of production and a reduction in costs, although it may also lead to a significant labour turnover. The 12-hour shifts are often combined with rest days so that workers do not work more than four or five shifts sequentially. The replacement of an 8-hour shift with a 12-hour shift and the latter becoming 'normal' results in a high pressure on production, and it depends on workers' ability to withstand the intense pace of the work. Despite the pressure this system puts on the workers, agency workers commonly complain about not working enough:

I work on average 165 hours per month. Usually I work three days, sometimes four days a week for twelve hours a day. These are not so many hours per week and I would like to work longer. (Bogdan, Romanian agency worker)

The 12-hour shifts are in fact characterised by long rest periods. Those who do not work for a few days, or even weeks, usually remain within the dormitories without leaving the city waiting to be called to work. However, when production orders are down, the agencies temporarily return the workers to their countries of origin and then recall them as soon as orders for production rise again. As we can see, one of the central elements in the Foxconn

factories in the Czech Republic is their unquestionable power to manage a floating mass of the workforce, as explained by an older male Polish agency worker:

Now I work in Foxconn with an agency, but the problem is that we don't work a lot. In January 2012 I worked only 51 hours and I earned 5,000 CKZ (€203). Every morning I went to the factory to ask if there was the chance to work, but they told me that there wasn't any work for me. With me there were also hundreds of other workers. We are all hired by the agencies and we go in front of the gates and we wait for the boss to call for us. But they call only some ten or so workers, the others wait for a telephone call from the agency or go back to the dormitory. Some workers also wait all the morning in front of the factory gates. (Szymon, Polish agency worker)

A commonality between core and agency workers is that both groups remark that they do not earn enough. Core Czech workers compare their wage to the average wage in the area while EU migrant workers, who have a broader perspective due to having previously worked in countries other than the Czech Republic, compare it with a wage they are able to get in other European countries.

International workforce for a multinational corporation

In the Foxconn factories in the Czech Republic we find an international workforce. Alongside Czech nationals there are workers from Slovakia, Bulgaria, Mongolia, Romania, Poland, Ukraine and Vietnam. The historic ties between the former socialist countries form

the basis of the migratory flows, which are now partly managed by the TWAs. The Czech Republic has a long tradition of importing migrant labour. This was based, at least until 1989, mainly on intergovernmental agreements and to a much lesser extent, on individual contracts (Drbohlav, 2003: 197). The nationalities of migrant workers at Foxconn reflect the general situation of the Czech Republic, where in 2011 non-nationals counted for 5.4 per cent of the workforce, or about 310,000 people (Horáková, 2011). Migrant workers come mostly from Slovakia (114,000), Ukraine (70,000), Vietnam (34,000), Poland (21,000), Bulgaria (8,000) and Romania (7,000). In 2008 there were more than 13,000 Mongolians but in 2011 that number dropped to 3,300 (Horáková, 2011). This trend is also typical for Ukrainians and Vietnamese and it is caused by the new restrictive immigration policy towards non-EU nationals.

Employing non-EU nationals is now more difficult and creates an increased administrative burden for employers. According to the Czech government the stricter rules for issuing work permits to non-EU nationals are necessary to combat increasing unemployment in the country following the global economic downturn. The new rules require non-EU workers to hold an academic qualification unless the Ministry of Labour and Social Affairs agrees to treat them as an exceptional case. Additionally the government decided not to renew existing work permits for non-EU agency workers in cases where they had been assigned to a client firm before 1 January 2012. Finally, the existing work permits issued to non-EU nationals can now only be renewed for up to six months at a time (previously it was 1-2 years), at the cost of 2,500 CKZ (€100). Even workers on a two-year or permanent contract with a company still have to renew their permit to stay every six months: 'Last year I obtained the residence permit for one year, but now I have it for just six months.' (Delger, Mongolian core worker)

One of the most important flows of non-EU migrant workers is undoubtedly that from Vietnam. Vietnam was the leading supplier of migrant labour to the Eastern bloc in the pre-1989 period (Pérez-López and Díaz-Briquets, 1990). Today migration of Vietnamese workers is very regimented because of limited modalities. One can migrate from Vietnam either via official recruitment agencies licensed by the state or through the middlemen who mediate between potential migrants and the Czech Embassy in Vietnam. People who decide to migrate from Vietnam are not the poorest but usually have some money and contacts in the cities. Those who migrate via middleman pay up to \$10,000-15,000 (US) hoping to repay that sum within two to three years (Bormann and Plank, 2010; Pechová, 2009). The international economic crisis has made the debt of migrants a serious problem in Vietnam and many families have gone bankrupt because their debts are counted in gold and the price of the precious metal has increased with the crisis.

Scholars have noted that a section of the Vietnamese workers come from rural areas and are not yet used to industrialised working practices so they can work very hard and they are easily available to do overtime (Kannika, 2007). Our research has highlighted another dimension to this, namely that a number of male Vietnamese workers hired by Foxconn have previous and extensive work experience abroad before arriving in the Czech Republic:

I have a long history of work abroad. I was in South Korea from 1995 to 2002; then I went in Taiwan from 2003 to 2005 and after that to Qatar. I was in Qatar in 2007 when I heard that there was the chance to go to the Czech Republic to work. So, I

decide immediately to take it. And I come here. I am a group leader and I work usually with Vietnamese workers. (Bao, Vietnamese core worker)

For the majority of migrant workers, except those from Vietnam, moving is a low-cost investment as they need only cover their travel costs from neighbouring countries.

Mongolians typically organise their visa and travel themselves and/or rely on networks of friends and family so have no need to pay a fee to an agency or an intermediary. Young Poles, Slovaks and Romanians might best be described in terms of a mobile international workforce. The TWA system allows these workers, both men and women, to find work relatively easily while, at the same time, facilitating the capture of their labour. Although at the cost of getting lower wages, EU migrant workers find it less expensive to move and find work via TWAs as they are not charged directly for TWAs' services of job mediation, transport or accommodation. An example of this type of mobility comes from Madalena, a young Romanian woman without children, who worked in Slovakia and Spain before starting at Foxconn. She comes from Tulcea, a city in the Danube Delta, where she initially worked for an Italian textile company. She says: 'It is better at Foxconn than in Romania. I earn €450 a month and I stay together with my husband at the dormitory that is paid by the agency' (Madalena, Romanian agency worker).

Madalena, like other EU migrants, is part of that broad pool of workers with European low-waged work experience. These different experiences do not seem yet to have generated strong enough links among the workers for them to organise themselves to secure better conditions of labour. Rather, they see their experiences in terms of one job at a time, and as isolated and unrelated opportunities in various countries. Petre, a single 30-year old male worker, alternated work abroad with work back home in Romania:

I worked as a bricklayer in Hungary. In Slovakia I worked at the TPCA factory [a joint venture between Toyota, Peugeot, Citroen, Audi] and in Italy I worked in agriculture. Now I am here. I arrived to Italy, Imola, in September 2011 and the salary was €6 but in March 2012 it decreased to €3.50, so I decided to go back to Romania. Then I learned that the agency was looking for people to work at Foxconn and I came here. (Petre, Romanian agency worker)

We found similar experiences among workers from Romania, Bulgaria, Slovakia and Poland as amongst the Vietnamese workers discussed above. Many of the workers had previous working experience abroad, often in several countries, and were therefore able to compare wages, hourly standards and quotas of production. At the moment there are no particular tensions among workers of different nationalities but equally, even though they work and live shoulder to shoulder, they rarely speak to each other due to differences in language and cultural stereotypes. High labour turnover, whether prompted by the management or workers desire to look for work elsewhere, also reduces the chances of developing strong cooperation among workers and building class perspective.

Labour process and forms of control

The tasks carried out by workers in the production departments are often simple. The key requirement is speedy execution. Managers aim at raising productivity levels: although wages are calculated on an hourly basis, the workforce needs to achieve the set daily production target. Foreman and group leaders continually pressure workers to maintain a

high pace of work: 'It is not difficult to learn the job, but the assembly line runs very quickly and when you are not able to keep the pace the supervisor, a woman, shouts' (Konrand, Polish agency worker). While both men and women work as low/middle managers, in high level of management we find prevalently men. Gender difference does not seem to play a role in the management of workforce even though women could be less interested in subordinating other experiences of life to that of work, as some men do. Workers in the production departments are generally young because the assembly line is fast-paced and repetitive: workers have to perform every operation at 40-60 second intervals. Assembly line and packing are where one finds most of the young male and female agency workers:

They just want people aged 20 to 35 years because the work is very fast ... Old people cannot handle the assembly line. It is a physically exhausting work and old people do not manage to do this work for more than five months, especially those who are older than 50. (Madalena, Romanian agency worker)

Women are more likely to work in positions where they do not need to lift heavy weights because this is regulated in the law. But this does not mean women do 'soft work'; on the contrary, both men and women perform their tasks standing by the assembly line. Women workers complain about the 12-hour night shifts, but men complain too. Night shifts are especially difficult for older people and for people with children because

these mess you up ... Some people get depressed because of night shifts, others cannot handle it and some leave because of it. People who are on night shifts are nervous, irritable and exhausted. (Artur, Czech core worker)

On the assembly line the instructions are on monitors placed above the workers so they can learn how to do the job and meet production targets. If workers are unable to do the set tasks, or make mistakes at them, they are fined or do not receive their bonus. All workers must stand at all times, unless they are assigned to one or two specified tasks. If workers sit down or lean on the assembly line without permission, they are fined. Given the principle of the assembly line, and the presence of the CCTV cameras, supervisors can see immediately who has made a mistake:

No one told me the instructions: everything is on the screen and then there was the group leader who would control my work. I would get a fine up to 2,000 CKZ (€80) if I sat down or if I leaned on the band. It is all fast and non-stop work and they know if you are fulfilling the norm because there is a panel display for all four assembly lines and there are red and green lights next to each line, and those are red if we do not meet the norm and green if we do. When the red light flashes, both the supervisor and the group leader come and harass people to work faster. (Pawel, Polish agency worker)

The extreme fluctuation of production requires the utmost flexibility of the workers and their ability to switch tasks. There are workers who can work on all positions and replace anyone on the assembly line. These workers are paid more than the others. One of these workers says:

I have been with Foxconn for 5 years. I covered about 90 per cent of the positions in the hall. Each time I was moved to a different task, but it was not a promotion. I

was just moved around. The strategy of Foxconn is to have flexible workers to handle different tasks. (Rupert, Slovak core worker)

The speed of the work and the limited time available for rests, especially when one is working a 12-hour day shift and sleeps in room shared with other workers, seems to cause many injuries: ‘There are a lot of injuries during work because workers don’t sleep enough’ (Alexej, former core Czech worker). In 2010 the Foxconn factory in Pardubice was fined half a million Czech CKZ (approximately €20,000) by the local Labour Inspectorate for violation of the rest periods (Evertiq, 2010). The Labour Inspectorate monitors the plants with relative regularity, but faces the difficulty of discovering irregularities in a large company: ‘We check Foxconn every six months. The last time we did an inspection for illegal work we did not find any illegalities’ (Labour Inspectorate, Pardubice).

The number of workers Foxconn uses at any given time is linked to the needs of the production. If production is low and Foxconn does not need workers, agency workers are likely to be sent home: ‘In mid-August [2012], 300 Romanians were sent home because there was no work’ (Marius, Romanian agency worker). Uncertainty about whether there will be work, the 12-hour shifts, and the pressures of high productivity are major contributing factors in the turnover of workers. The capacity of the TWAs to recruit new workers allows management to regulate labour turnover, but in many cases it is workers themselves, in particular migrants, who choose to leave. These workers ‘escape’ from the factory because of the high-speed tasks, repetitive work and low wages. The agencies try to manage the labour turnover through a particular type of contracts. Agency workers are most likely to first sign a contract for 300 hours and later, after two months, another contract with the same agency. During the ‘trial’ period of 300 hours, that usually takes

two to three months to complete, workers are not paid their full wages but given an advance of 1,000 CKZ (€40) per week.

Many Polish workers left during these 300 hours: when they wanted to leave immediately they could not and were forced to work for two more weeks. The agency told them that otherwise they will get no money whatsoever. (Gabriel, Polish agency worker)

The high level of labour turnover (25-30 per cent per year) is linked both to the workers' lack of identification with their job and to the low level of investment Foxconn makes in this type of employment. The lack of identification is also down to the principle of the assembly line, which brings about the fragmentation of the labour process into smaller and smaller parts. This fragmentation results in an apparent 'disappearance' of the final product, with workers performing highly limited tasks and not seeing the final product.

When workers realise that their skills are not made use of, or that the difference between their ambitions and their daily life is too wide, they quit. Young Czech workers are generally not interested in staying long at Foxconn factories unless they are hired in a higher job position. Young EU migrant workers are relatively accustomed to looking for a job in various European countries and to adapting to different work systems. A section of workers, both EU migrants and Czech, accept these working conditions because Foxconn is a big company and it is perceived as an employer that can provide a regular wage, medical insurance and social security contributions. Labour turnover is, however, a complicated matter because, as trade unions put it, it makes it difficult to raise awareness among workers:

The biggest problem inside the plant is the labour turnover of migrants and of Czech workers. Workers who decide to resign go away because the job is very repetitive and very fast. Then there is also the problem of working time because people work also for 60 hours a week. (Dobroslav, Czech core worker and shop steward)

The level of turnover, long working shifts and the division between core and agency workers are reasons for the mistrust and lack of communication between the workers. Language contributes strongly to this division as EU migrant workers do not speak Czech and depend on their bilingual foreman for translations. This minimal level of communication amplifies the boredom of operations and produces a feeling of isolation among workers. The lack of language knowledge also has serious repercussions, with some agency workers being unaware of the content of the employment contract they have signed because it is only drawn up in Czech (Pechová, 2009). One female Romanian agency worker, for example, who has been working at Foxconn for three years, has signed three different contracts with the same agency, one each year: 'I don't know what kind of contract I have because my contract is in Czech. I never saw a copy of the contract in Romanian' (Amina, Romanian agency worker). The situation is different for non-Czech core workers as for example in case of Mongolian workers, who can count on the help of a Mongolian HR manager to deal with work and residency-related issues.

Core workers usually try to avoid working with agency workers on the same stretch of the assembly line: 'I don't like to work next to the agency workers because it is always

uncertain whether they can fulfil the norm' (Altan, Mongolian core worker). In fact, it is not uncommon for core workers to take a similar view of agency workers as management:

The core workers need to be paid even if the production is low: if they work weekends it costs the company more, so altogether this costs Foxconn too much.

Therefore Foxconn recruits agency workers who come and go. (Phuong, Vietnamese core worker)

Core workers are of the opinion that agency workers are not interested in getting a direct contract with Foxconn, and that agency workers are better off than them: they work less, they enjoy better working conditions and they earn more.

As we can see, in these two factories workers have not yet found significant convergences of struggle, and they are often separated along 'ethnic' lines. Foxconn uses various community features to organise and train the workforce as well as to control and manage the behaviour of workers through a chain of intermediaries such as foreman, department heads, interpreters and agency staff. Core and agency workers, therefore, coexist within the same factory space without engaging in more specific interactions because of language problems and, above all, because of mutual misperceptions. What we see therefore is a low level of trust between core and agency workers, thanks in part to the fact that all workers are subject to tight control. The shop floor is a place where workers can learn strategies of resistance but at the moment, in Foxconn's factories, workers do not feel that they belong to the same class as each other.

Old wine in a new bottle?

The role of trade unions inside Foxconn can be defined as marginal. This is not only because of the low levels of unionisation inside the factories and high labour turnover but also because the trade union's concerns are local. While the level of coordination between the trade unions at the two Czechs plants is relatively poor, it is even weaker with the unions at the neighbouring Foxconn factory in Slovakia. A shop steward in Pardubice put it like this:

In Slovakia, in Nitra, the trade union does not do anything but only what Foxconn wants and, in fact, the Pardubice trade union is not allowed to talk to them ... We have no contacts with trade unions in other countries. (Vilém, Czech core worker)

Additionally, the unionised workers complain that the local trade union and the central one in Prague are disconnected: 'The central office is too theoretical and it is not practical' (Libor, Czech core worker). The priority issues for the local trade union are wages, vacations and abolition of the 12-hour shift. Their biggest achievement so far has been to limit the maximum working time to 163 hours per month (Libor, Czech core worker). The trade union's efforts are focused on reaching a collective agreement, increasing wages and improving working conditions: 'What we are most proud of is having been able to raise wages even in times of crisis' (Dobroslav, Czech core worker).

The trade union is not very popular with workers. Older workers perceive it as a remnant of communism, while young workers are unfamiliar even with the idea of a trade union. The union's recruitment strategy inside the factory is limited, as union members are not

allowed to walk around the factory hall and talk to other workers about the work of the trade union. Some shop stewards use an individual strategy consisting of approaching the workers and asking: ‘Hey, do you want to be exploited?’ (Vilém, Czech core worker).

One of the most significant struggles for wages and working conditions took place in the Kutná Hora plant where, in the Apple division, workers attempted a timid protest. Foxconn kept the contract but shifted production to a different facility, preferring to remove Apple production from Europe. After closing the department, Foxconn reorganized the production in the factory of Kutná Hora, where now the principal production consists of HP servers. An ex-worker, dismissed due to his role in the protest, describes it like this:

When they [Foxconn] started not paying for the overtime, we, as a trade union, wrote to the head office [of the union] in Pardubice and we asked them for a meeting ... In Pardubice there was a 75-year old guy, as the head of union, who did not want to do anything but just to be left in peace. When finally the union leadership changed ... we started to do more for the people ... The only protest we had was when we had a ‘strike emergency’. I handed to the factory leadership our demands because they promised to the people yearly bonuses, something like a thirteenth [month of] salary [but they did not fulfil their promise] ... At that time, we said that we wanted it and that we would start a strike, and that there would be no production before Christmas. Because of the market [the leadership] started to be afraid and immediately they had money and people had it in their accounts within a week ... Apple then arranged for an audit and when they came, they asked people if they were satisfied with the working conditions and so on. So, people said openly what they did not agree with, what they didn’t like ... Those performing the

audit said that they were interested in making the conditions better but instead Foxconn closed the division within half a year and 330 people were dismissed ... Mass dismissal should be announced at the Labour Office, but they did it in clever way because, according to the law, mass dismissal is when a company dismisses 30 or more people. What Foxconn did is they dismissed 29 workers every month ... Each month, regularly, they fired 29 people. (Andrea, former core Czech worker)

The trade union has 250-300 members in Pardubice and 80 in the Kutná Hora plant. The relative lack of popularity of the unions might be due to the fact that the trade union at Foxconn resembles that of a pre-1989 organisation:

Members pay one per cent of their salary and they can deduct that from their tax: members can get a lawyer for free, and they get advice on issues such as loans, mortgages etc. Part of the trade union is also the organisation of the retired workers who used to work for HTT Tesla previously. The benefits are 1,000 CKZ (€40) for vacations; 500 CKZ (€20) for every child to go to summer camp; 300 CKZ (€12) per worker to go to a concert or similar; members get 50 per cent off to use the trade union recreation cottage and this is all-inclusive, it comes to 250 CKZ (€10) per night including full board. We also do social activities such as a bowling tournament with Kutná Hora, and activities in the cottage at weekends for the families. The majority of the members are Czech workers and there are about 10-15 foreign core workers but the problem is that with foreigners one never knows how long they will be staying. (Libor, Czech worker and shop steward)

The overwhelming majority of union members are core Czech workers as agency workers are not able to join the trade union because legally they are employed by the agency, not by Foxconn. The trade unions are not very much interested in the condition of migrant workers (with the exception of Slovak workers, because of their common political history), largely because they do not speak Czech and their turnover is rather high. This lack of interest seems to originate in the fact that the trade union's work and concerns are framed primarily by a national focus that is unable to understand the needs of migrant workers. This lack of relation to the agency workers is rather paradoxical given the fact that the office of the trade union and the office of the most important agency, the Xawax, are next door to each other on the ground floor of a building within the Foxconn factory complex. Not surprisingly then, the complaints advanced by agency workers are taken up almost exclusively by the few associations and NGOs whose aim is to offer support and assistance to migrants. The de facto exclusion of agency workers makes the future role of the trade unions rather uncertain because, as one recently fired worker explained, 'At some moments there were only temporary workers in production' (Vilém, Czech core worker). This situation, we suggest, signals changes taking place in terms of the composition of the workforce and in the role of the trade unions, and it calls for an urgent and serious consideration at both a national and an EU-wide scale. In fact, the growing segmentation of the labour market creates tensions within the workplace that is amplified by managerial practices of differentiation.

International offshoots: the role of the TWAs

On an international level labour markets are increasingly being placed under the management of intermediaries such as TWAs to enable capital to extract value from this activity and to control the workforce. The power of the TWAs resides in their ability to structure different segments of the workforce. The use of TWAs in the Czech Republic was introduced on 1 October 2004 when the government passed a new employment act in line with the EU enlargement process (Hála, 2007). As with other EU countries, their aim was to increase the flexibility of the labour market while at the same time guaranteeing compatible working and wage conditions between direct and agency workers. Accordingly, the Czech Republic does not regulate the mobility of workers originating from the newest EU member states of Romania and Bulgaria whose nationals enjoy the freedom to take up employment in the Czech Republic.⁵

Legislation is certainly a key determinant for the temporary staffing industry (Peck et al., 2005). It is relatively easy to set up a TWA in the Czech Republic. According to a representative of the Ministry of Labour, one needs to be at least 23 years old and have no criminal record, have three to five years of working experience, and a permit issued by the Ministry of Labour. There is also no need for an initial capital investment, only the payment of a 50,000 CKZ (€2,000) administrative fee. Moreover, the state has raised its previous ceiling limiting companies to a maximum 20 per cent of the total workforce being agency workers. It also permitted TWAs to contribute up to 3,000 CKZ towards workers' accommodation.

Foxconn relies mainly on three TWAs: Xawax, Express People and VVV Tour. Xawax supplies most of the workers for the Padubice plant while Express People provides workers predominantly for the factory in Kutná Hora. Every agency specialises in the recruitment

of particular nationalities, although they might also recruit workers of other nationalities: Xawax works mostly with Romanians, Express People with Slovak and Polish workers, and VVV Tour with Bulgarians. The division is steady and Foxconn does not seem to change agencies frequently. Whether with Slovaks, Romanians, Poles or Bulgarians, all three agencies operate in a similar manner. They first recruit the workforce in the countries of origin via online and newspaper advertisements where they provide potential workers with initial job information and select them on the basis of medical certificate, criminal record and basic maths and logic tests. Then the TWAs organise transport direct to the Foxconn plants in the Czech Republic using coaches or minivans where workers are put onto local coaches and divided between dormitories. Inside the factories TWAs are responsible for the management of agency workers, namely for the quality, quantity and timing of the work performed by agency workers. Finally, TWAs are also in charge of organising agency workers' accommodation in the dormitories, allowing them to keep the workers under constant but unobtrusive control. This process responds to the just-in-time requirements of production: agency workers are likely to depart from their country of origin on the same day that they sign the contract with the agency, and on arrival in Pardubice they will be put to work within 24-48 hours:

I arrived here in July 2012 because my brother has been working here for four years already and told me that one can get a good wage here ... In the bus we were 50 workers and everything was organized by the agency ... I started working two days after I arrived. (Rosita, Bulgarian agency worker).

This quick turnaround has repercussions on family life of workers and those with small children needed to make fast arrangements to leave children in care of their parents or

extended family members. Relying on the TWAs, Foxconn is able to secure a considerable flexibility that is key to the strong fluctuation of the production. A worker describes it like this:

2004 and 2005, these were good years. Then came the pressure to be flexible. There is no flat production but all depends on the life cycle of the product, the 'seasonal' character of the work. Moreover, the business is linked to the dollar and hence this influences the value and the production (Alexandr, former Czech core worker).

In 2010 and earlier, migrants hired by the TWAs were primarily from Vietnam, Romania, Bulgaria and Slovakia (Bormann and Plank, 2010: 41). The situation has changed since 2012, however, and under the new immigration law agencies can no longer lease non-EU workers to client companies. The fact that non-EU nationals need to secure a direct contract with the employer has changed the composition of the migrant workforce at Foxconn. The number of workers from Vietnam, Ukraine and Mongolia on direct contracts has decreased and that of agency workers from neighbouring EU countries has increased.

Given the fact that TWAs encompass a wide span of activities including recruitment, selection, cross-border transportation, working and living arrangements, and the return of workers to their countries of origin, we suggest that the TWA is effectively a company within a company. In fact, TWAs do constitute themselves as companies in order to circumvent employment legislation and keep workers on a series of temporary contracts by making it appear that each new contract is with a new company:

I was on a six-month contract and I was happy with that. Now they [agency] are renewing my contract monthly although I have been here for over two years. After one month we sign the contract for three months, and after three months we sign it for six months ... Every year there is a different company showing in the contract.

(Cezara, Romanian agency worker)

It is, then, not accidental that an informal agreement is in place between the agencies and Foxconn that a worker who no longer works with an agency cannot be hired immediately by Foxconn but must wait for at least six months:

If you are an agency worker you cannot be directly hired by Foxconn. You should finish your contract with the agency, wait for six months and then you can obtain a direct contract with Foxconn. (Vassil, Bulgarian agency worker)

Traditionally, scholars have examined the workings of the TWAs within the so-called triangular employment relationship. Within the triangular employment relationship that regulates the interaction between the client firm, TWAs and workers, managerial responsibilities for production lie with the firm and legal responsibilities with the agency (Purcell et al., 2004). However, our data shows that in the case of Foxconn the boundaries between responsibilities of the agency and the client firm are blurred as TWAs are directly responsible for organising, controlling and managing their own workers' performance on the assembly line. To put this differently, the TWAs internally subcontract the entire assembly line within the Foxconn plants. This bringing of workers to the client firm is known as internal subcontracting. We are suggesting that this practice of internal subcontracting is changing the relationship between the agency and the client firm whereby

the triangular relationship is increasingly becoming a bipartite rather than a multipartite arrangement. This creates a situation of ‘ambivalence’ (Vosko, 2009) in which employment irregularities concerning agency workers are becoming institutionally invisible, as illustrated by the fact that the local Labour Inspectorate considers this system and its potential irregularities as falling beyond the scope of their activity.

Harmonious sleeping

Outside the factories, Foxconn and TWAs rely on the dormitories in order to manage and control the agency workers. The dormitories make it possible for Foxconn to avail itself of a potential workforce that is permanently under the discreet control of the agencies. Some agency workers live in the dormitory for only six months, but others stay there for five years. In fact, a large proportion of agency workers do not want to rent a flat on their own but prefer to stay in the dormitory. In the dormitories they do not need to worry about not speaking Czech. Speaking the language is indispensable if one wants to rent an apartment or organise utilities outside. Staying in the dormitories also guarantees a certain degree of sociability among the often young compatriots, and a continuous exchange of information with respect to the work in the factory, other job opportunities and social events.

There are several dormitories where agencies house their workers and these are located in town and outside the factory complex. Despite the difference in size and quality of the dormitories, their management system is relatively standardised. Usually agencies rent out a fixed number of rooms per dormitory and pay between 80 and 140 CKZ (€3.20-5.60) per day per worker depending on the quality of the dormitory, its location and the type of

business arrangement the agency has with the dormitory. The most important dormitories in and around Pardubice are Hotel Harmony, Veselka, Hurka, Labe and Sementin. These vary in size, housing between a couple of hundred and a thousand people. These dormitories were previously hotels, army barracks or older factory accommodation. There is a clear hierarchy between the dormitories. This seems to be based upon the workers' skills and professional experience, their nationality, and the agency that employs them.

Express People houses its workers in Veselka, a rather run-down pension close to the train station. This is where the agency places most of the young male and female workers from Poland and Slovakia. Veselka is rather large: it consists of two buildings with approximately 30 rooms per building and four beds per each room. Cooking facilities and showers are common (and few) and shared by both men and women staying on the same floor: a total of 80 people use two women's showers, 5-8 men's showers, and a kitchen with two electric hobs and no utensils. Hurka is located less centrally than Veselka. It consists of four large building that used to be army barracks. Each building has four floors and its total maximum capacity is 1,000 people. The rooms are larger than at Veselka and there are two bunk beds in each room. Workers staying at Hurka are families, young Bulgarians and Romanians, and a handful of Vietnamese all almost exclusively employed by Xawax. Hotel Harmony is located slightly off centre and is better kept and slightly upscale from the other two dormitories. It consists of two buildings and it accommodates Slovak, Romanian and Polish young and middle-aged workers recruited by Xawax. The rooms in Hotel Harmony have four beds and each room has a bathroom (shower and toilet) and a tiny kitchen with a cooker and a fridge.

The location of the dormitory and the availability of the cooking facilities are key in order to understand the working conditions of agency workers. While both core and agency workers have the same access to the factory's canteen, they do not pay the same prices for a warm meal. For agency workers the price of a meal is between € 2-3 and for core workers it is €0.2-1. This means that many agency workers find the price of the meal too expensive and prefer not to eat in the factory canteen. If they are staying in the dormitory such as Veselka where, contrary to Hurka or Hotel Harmony, there is effectively no real possibility to cook a meal in advance and bring it to a factory, then workers are likely to skip meals or eat snacks that are insufficient to undergo a 12-hour shift and might lead to work-related accidents.

When it comes to the location of the dormitories, agency workers reach the factory by special shuttle buses that depart and return to the dormitories at fixed hour or are driven by agency staff that pick them up from the dormitories and drive them to the plants, especially if these are to work irregular hours. If an agency worker is asked to work a longer shift that ends after the last bus departed, this means that the worker will be unable to return to the dormitory and will work an additional shift while waiting for a next shuttle bus or will have to walk back if unwilling or unable to pay for a public transport bus. The situation of working an additional shift due to the lack of free transport arose with several of the female interviewees who felt unsafe returning to the dormitory on their own late at night. Workers who had no money to pay for the public transport and walked for an hour or so back to the dormitory where those who received weekly cash advances but not yet a monthly wage as on 300 hours probation contract. Either way, the difficulty in accessing transport resulted in prolonged their working shifts and reduced the amount of free time.

It is the TWAs that manage the accommodation of the workers in the dormitories. Agencies employ so-called ‘coordinators’ for dormitories. These are responsible for the allocation of rooms and for administrative work as well as for controlling the workers. Workers are not allowed to swap rooms themselves, and the receptionist must also not move workers around without the approval of the agency. The coordinator’s role is to maintain order in the dormitory among the workers, make sure that workers do not receive guests and do not disturb other workers through excessive drinking or loud music. The problems that coordinators have to deal with are mostly conflicts between workers of different nationalities and alcohol – which is not tolerated but is widely consumed – but have, on one occasion, also included sex work. Control is not obsessive but it is continuous, and is aimed at suppressing behaviour considered dangerous by the companies (such as smoking in the rooms), that can decrease productivity (such as excessive drinking), or even camaraderie (hosting friends):

At least once a month someone [from the agency] comes to check that there are no other people who sleep here. They have the keys to the rooms and they come into the rooms even if we do not open the door. (Alina, Romanian agency worker)

The agency pays for the accommodation but if workers break the dormitory rules they can be fired. This means that then they have to pay immediately for their own accommodation. This is an oral agreement and it is not written in the contract. If the agency workers want to rent an apartment, the agencies will subsidise it with an amount of up to 3,000 CKZ per month. As Gabriel says: ‘Now I live alone in an apartment that I rent. The agency pays 3,000 CKZ (€142) for the accommodation and I pay another 6,500 CKZ (€263) all-in’ (Gabriel, Polish agency worker).

Living in a rented apartment gives the workers more freedom and the possibility of greater integration in the local neighbourhood and social texture. However, in order to qualify for an apartment workers need to work a minimum of 150 hours per month. A male worker explains why he moved from the dormitory to a shared flat:

I moved to a flat because there is less control ... When I was in the dormitory the coordinator would come, knock on the door, enter and tell us 'Let's go, there is work'. He would grab us and we would need to go even if we had just finished our shift. He would wake us up and make us go. In the flats, this was not so. I am more relaxed because we are paying for accommodation so we get more respect.

(Gabriel, Polish agency worker)

During periods of low production TWAs privilege workers in the flats and assign them work first, but these workers are also more vulnerable than those in the dormitories who do not feel burdened by their accommodation costs:

Here is the thing – last month they [Xawax] sent 200 people home, but they've kept the rest of us here [dormitory Hurka] even though there was no work ... They target people who rent, because if a worker does not fulfil their minimum 150 hours quota per month they cannot afford to pay for accommodation. (Cezara, Romanian agency worker)

Given fluctuating production requirements, the dormitories allow the agencies and Foxconn to stand workers down for several days without risking a shortage of workers. For

Foxconn's production in the Czech Republic, similarly to that in mainland China (Pun and Smith 2007), dormitories are central to maintaining a stationary workforce and managing of migrant labour. Importantly, by paying attention to the dormitories, we are able to observe the inseparability of the productive and reproductive spheres and the limitation of reducing the analysis of the labour process to the production proper. A close look at the dormitories permits also to identify the similarities in management of workforce over time. In fact, dormitories are not new in the Czech Republic and during the socialist period, the state attempted to keep a large proportion of the population in the rural areas and concentrate industries in the major urban centres. This had shifted the costs and commuting from the state onto workers --who were typically male, young, and low-skilled or manual labourers-- as they used to live in the dormitories during their working week and return to their homes at the weekend (Fuchs and Demko, 1978: 178). What is different today, compared to the previous historical process of industrialization, is both a more heterogeneous labour and more diversified forms of its control.

Conclusions

In this article we offered an overview of the two Foxconn factories in Pardubice and Kutná Hora in the Czech Republic. The picture that emerges is of a production that is highly seasonal and that makes use of a large proportion of temporary agency workers, at times even up to 60 per cent of the workforce. To secure the rapid and flexible availability of the workforce it needs to meet production targets, Foxconn relies on TWAs. These are responsible for recruiting, hiring, housing, controlling at work, firing and repatriating the agency workforce, all activities that radically widen the roles traditionally performed by

the agencies and alter the configuration of the triangular employment relationship. Equally important are the TWAs' intrusions into agency workers' lives outside the factories through the dormitory system and the construction of a mode of existence that subordinates reproduction needs to those of production.

Reliance on large numbers of agency workers creates a divided factory, keeps agency workers out of the reach of the trade unions and pre-empts potential acts of disobedience and collective action. Nationality of workers plays an important role in the organisation of production, inasmuch as workers are commonly divided on the assembly lines according to country of origin and the language they speak. The same division can also be found in the dormitories, where workers are allocated rooms on the basis of nationality and are less likely to interact with workers other than those with whom they share the dormitories or work alongside on the assembly line. Direct and indirect workers coexist, therefore, without interacting much. There is, then, a multinational workforce in the factories which, for the moment, does not seem to have bonded in any significant way and remains divided along 'ethnic' lines.

Certainly the upper hand that both agencies and Foxconn have in controlling the workforce has been made possible by the state policies that permit long working shifts and encourage the work of agencies via loose regulations and requirements. Yet, our research raises a question about the limits of examining Foxconn's organisation of production and management practices within a single national framework. What is emerging from our data, and from the research we have recently undertaken of Foxconn in Turkey, is the need to investigate the global organisation of Foxconn's production. While this might seem a rather ambitious task, we believe it is necessary to gain a better understanding of the relation

between the global organisation of production and the process through which the local workforce is both constituted and incorporated into the global supply chain. An approach that foregrounds the role of labour in the organisation of global production would make visible the connections and continuities of global conditions of production in locations such as Europe and the mainland China that might otherwise appear only as divided and separate.

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Endnotes

¹ An exception is the activist website Gongchao that has featured original information on Foxconn's production in Slovakia. Available at: <http://www.gongchao.org/en/slaves-struggles/foxconn-sony-tv-production-slovakia/?searchterm=slovakia>

² We would like to thank Marek Čaněk and Tereza Virtova for their assistance in the field.

³ The Apple department was present in Kutná Hora until the end of 2011, employing about 330 workers.

⁴ A manager of a TWA not related to Foxconn, but supplying workers to another electronics factory in the Pardubice area, explained that core workers are paid 141 CKZ (€5,7) per hour and agency workers between 60-85 CKZ (€2,5-3,5) gross.

⁵ Labour mobility is highly differentiated in the enlarged EU by the Transition Agreements, namely the 2+3+2 scheme that allows member states to restrict the movement of workers from new Eastern European member states for 2, 5, or 7 years. Citizens of the states that joined the EU in 2004, the so-called A8, gained the right to full freedom of movement in April 2011. Those who joined in 2007, the A2 countries of Romania and Bulgaria, will gain the full right to freedom of movement in 2014. This differentiation is further complicated by the fact each EU member state can pursue different options, resulting in a situation where, for example, the UK allowed the A8 citizens to access its labour market while Germany decided against it.