Xbox workers threaten suicide in China labor tiff

The Associated Press

Dozens of workers assembling Xbox video game consoles climbed to a factory dormitory roof, and some threatened to jump to their deaths, in a dispute over jobs that was defused but highlights growing labor unrest as China's economy slows.

The dispute boiled over last week after contract manufacturer Foxconn Technology Group said it would close the production line for Microsoft Corp.'s Xbox 360 consoles at its plant in the central city of Wuhan and transfer some workers to other jobs, workers and Foxconn said Thursday.

Workers reached by telephone said Foxconn initially offered severance pay for those that wanted to leave rather than be transferred, but then reneged, angering the workers; Foxconn, in a statement, said transfers were offered, not severance, and only to some workers.

The workers climbed to the top of the six-story dormitory on Jan. 3 and threatened to jump before Wuhan city officials persuaded them to desist and return to work, according to the workers and accounts online. The workers gave varying estimates of the numbers involved in the strike, from 80 to 200, and photos posted online showed dozens of people crowding the roof of the boxy concrete building.

"Actually none of them were going to jump. They were there for the compensation. But the government and the company officials were just as afraid, because if even one of them jumped, the consequences would be hard to imagine," said Wang Jungang, an equipment engineer in the Xbox production line, who left the plant earlier this month.

The fracas is the latest labor trouble to hit Foxconn, a unit of Taiwan's Hon Hai Precision Industry Co. that makes iPads and iPhones for Apple Inc. as well as Xboxes and other gadgets, helping consumer electronics brands hold down costs. Its massive China plants are run with military-like discipline, which labor rights activists say contributed to spate of suicides in 2010.

Foxconn said that it offered transfers to some workers at current pay, without elaborating on what others were offered. It said that 150 demanded severance and not all of them participated in the rooftop protest. "It is our understanding that certain individuals threatened to jump from the building if their demands were not met," the statement said.

Strikes and other job actions have risen in recent months across China as factories cope with rising costs, scarce credit and declining orders from Europe, the United States and domestic companies. Complicating matters is the approaching Lunar New Year, a time when many of the migrant workers who man factories quit jobs to return home temporarily before looking for better paying employment.

Foxconn's Wuhan plant employs 32,000 people. The site previously had a couple of suicides or attempted ones a couple years back, prompting the government to take over the operations of the dormitories, said Wang, the equipment engineer.

After the rooftop protest, Microsoft said in a statement that it investigated, finding that the dispute centered on Foxconn's staffing and transfer policies, not working conditions. "After the protest, the majority of workers chose to return to work. A smaller portion of those employees elected to resign, the statement said.

Ultimately, Foxconn said, 45 of the employees resigned from the company while the rest chose to stay. It did not say whether the resigning workers were given compensation. Wang, the engineer, said he received $4,700 (30,000 yuan) in compensation but that was because his supervisor helped him.

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Associated Press researcher Zhao Liang contributed to this report.

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