

## Outsourcing

An article in a British newspaper accuses the company, Apple, of exploitative practices in China. Apple sends in an investigative team. How far can a company be expected to ensure fair working practices when it has outsourced production?

1 How many hours are you contracted to work a week? How many hours do you actually work? Compare your answers with a partner.

2 Read the paragraph headings (a–d). Skim the article and match the headings to the correct paragraphs (1–4).

(a) Investigation findings  (b) US firm criticised  (c) Outsourcing  (d) Reporting fairly

### Apple: investigation in China

[1] It started in June with a report in a British newspaper, alleging that Apple's suppliers in China had been treating workers unfairly. The report said that workers were paid \$50 a month and had been forced to work 15 hour shifts in order to make iPods, Apple's iconic digital music player. By allowing workers to work more than 60 hours a week, the factory violated a US code of conduct.

[2] So, Apple sent in an investigation team to visit the factory. It interviewed over 100 workers and found that some employees did indeed work longer than 60 hours a week. However, around 20% of employees actually wanted to do more overtime! The investigation also established that all workers earned at least the local minimum wage.

[3] The suppliers' response has been to introduce a training program to improve the quality of their managers. Also, a complaints system has been started, so employees can criticise managers anonymously. The case raises many issues.

Firstly, bias. Apple's investigation team is not independent. The employees interviewed depend on the Western company for their income, so this may have influenced the results. When the management and the union both ask questions to workers, their reports can be very different! Apple is now bringing in Verite, a company which looks at standards in the workplace to ensure that people around the world work under legal, safe and fair conditions.

[4] Also, the whole complex issue of outsourcing is being called into question. Apple said the hours were 'excessive' and said its supplier would now be enforcing a 'normal' 60-hour week. The length of the working week is, of course, much longer than in the US. So, the computer firm continues to make vast profits from outsourcing its production to a country where labour is cheaper. Apple has sold about eight million iPods in the last three months, and has announced revenue of \$4.37 billion in its last quarterly statement. Is this exploiting the local workforce? Or is it a win-win situation?

3 Read the article. What did the investigation uncover? What has Apple and the factory in China done in response?

4 Find words in the article from the following definitions.

- |   |             |
|---|-------------|
| (a) saying something is true, or illegal, even though it has not been proved    | Paragraph 1 |
| (b) a period of work time   | Paragraph 1 |
| (c) very famous and believed to represent an idea                               | Paragraph 1 |
| (d) did something that is opposite to a law, agreement or principle             | Paragraph 1 |
| (e) an attitude which makes you treat people in a way which is unfair to others | Paragraph 3 |
| (f) treating someone unfairly in order get some benefit for yourself            | Paragraph 4 |

(Definitions from or based on: *Macmillan English Dictionary*. Text © Bloomsbury Publishing Plc 2002)

5 Discuss the following questions in small groups. Be ready to report back your findings to the class.

- What are the pros and cons of outsourcing from the point of view of the companies and the employees of those companies?
- What are the local standards for working conditions in factories in your country? How are they policed?
- Do you feel there are any situations in your country where workers are 'exploited'? If so, what are they?