#### Issues with the iPad

By Jane Messah March 16, 2012

### **Apple**

unveiled the iPad 3 last week; it's scheduled to be released today. On Sunday the company announced that <u>pre-ordered devices were sold out</u>. The news came weeks after Apple's annual shareholders' meeting, at which it <u>reported that it has nearly \$100 billion in</u> cash.

#### Amid

its latest triumphs, the company continues to face criticism over labor practices at Foxconn and its other suppliers in China. While such allegations are not new, recent reports by <u>This</u>

American Life and the New

<u>York Times</u> have raised public awareness of long hours, low wages, cramped dormitories and hazardous working conditions that have resulted in deaths and injuries for Chinese employees.

Apple has taken steps to improve conditions. But protestors at Apple stores and online petitions have demanded that the company do more to protect the people who make its products. While the worker abuse has been universally condemned, several people have pointed to obstacles that inhibit significant, lasting reforms:

- Steve Hehn observes that Apple appears to "care deeply about improving working conditions and environmental safety," but "even a company as controlling as Apple can have a hard time managing a supply chain in China."
- Beenish Ahmed notes that Apple's success is directly tied to its overseas suppliers: "Apple's profit margins havewidenedin recent years to over 30 percent, while

Foxconn's have narrowed to around 1.5 percent.... To make any real change, Apple

will eventually have to take a hit to its profitability. Rotating tasks among workers might help prevent repetitive motion injuries, for example, but it will rake up costs in training and logistics."

## • Meggin Thwing Eastman cites a

"huge demand for Apple products and the quick turnaround times required for a 'cool' new upgrade every year." Moreover, she points to Apple's notorious culture of secrecy that allows it to be "less responsive to outside organizations."

# • <u>David Pogue</u> reminds us that Apple

is not the only company to benefit from overseas labor; after all, Foxconn also produces goods for Amazon, Barnes & Noble, Dell, Hewlett-Packard, Microsoft, Nintendo, Sony and Panasonic. He concludes, "The issue is complicated. It's upsetting. We, the consumers, want our shiny electronics. We want them cheap, yet we want them built by well-paid, healthy workers. But apparently, we can't have both."

As Americans, we've been confronted many times by the unethical labor practices that support our consumer goods. But this example is particularly disturbing because many of us revere Apple for its business savvy and its ability to continually produce new, high-demand products-factors

that seem to contribute to the problem.