Foxconn stops operations at India factory

Hundreds of ill workers not the cause of shutdown, company says

By Michelle Phillips

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Taiwanese electronics manufacturer Foxconn suspended operations at its factory outside Chennai, India, this week following protests after more than 250 workers became ill on the job and had to be taken to a hospital.

The workers, who had taken ill Friday, had been treated and released as of Tuesday, but Foxconn — which has come under scrutiny for multiple suicides in one of its Chinese factories — said it shut down the facility so it could be "checked and cleared by the relevant local authorities."

The Federation of Indian Chambers of Commerce and Industry said Foxconn's factory license has been temporarily revoked, but the company expects to resume operations in a week.

Foxconn suggested the cause of workers' illness was exposure to pesticides. But the Federation said the workers' symptoms were similar to those caused by inhaling a cleaning liquid that was used in the factory's manufacturing, citing Foxconn's negligence.

Some analysts said the incident may turn out to be a good lesson for developing economies, like those of India and China.

According to Anthony Kim, a policy analyst at the Heritage Foundation, this accident has revealed a deeper problem of enforcing regulations in the area. He said India has many regulatory laws concerning worker health and safety, but that none of them have been solidly implemented.

"India is well known for layers of different regulations, but their efficiency is questionable," Mr. Kim said. He added that the growing economies of India and China don't pay attention to regulations, but instances like these might teach them better.

"These economies learn through these kinds of mistakes," Mr. Kim said.

"Protection from workplace hazards remains woefully inadequate for the majority of Indian workers and enforcement of workplace standards tends to be rather lax," said Eswar Prasad, senior fellow at the Brookings Institute.

Foxconn did not respond to requests for further comment by press time.