

Dirty Parts

Where Lost Fingers Come Cheap

Ford in China



***Twenty-one year old worker,
Dongguan Yuwei Plastics and Hardware Co. Ltd.***

Institute for Global Labour and Human Rights

March 2011

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A Report by

Institute for Global Labour & Human Rights

(Formerly the National Labor Committee)

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Executive Summary

In the global sweatshop economy, life, and lost fingers, come cheap.

--Charles Kernaghan

The **Yuwei Plastics and Hardware Product Company Ltd** in Dongguan, China produces auto parts for export to **Ford** which, according to workers, accounts for **80 percent** of total production. The Yuwei factory has a U.S. office and warehouse in Ann Arbor, Michigan.

- Workers earn a base wage of just **80 cents an hour**, while working 14-hour shifts, seven days a week. During the peak season, workers will toil 30 days a month, often drenched in their own sweat. Prospective hires are told they must ~~work~~ hard and endure hardship.”
- On March 13, 2009, twenty-one year old Worker —A had **three fingers and several knuckles** torn from his left hand when it was trapped in a powerful punch press, or stamping machine. He was making —RTTubes” for export to Ford at the time of his accident. Management deliberately instructed the worker to **turn off** the infrared safety monitor device so he could work faster. **“We had to turn it off. My boss did not let me turn it on,”** said Worker A. He had to stamp out 3,600 —RT Tubes” a day, one every 12 seconds.
- We are aware of at least four serious injuries—maimed hands and fingers—over the last several years. —Nhor” injuries occur every one or two months. **Seriously injured workers are fired after a year or two.**
- New workers receive no training or safety instructions before being assigned to operate dangerous machinery.
- Worker A received a total compensation payment of just **\$7,430** for the loss of three fingers, leaving his hand basically inoperative. In the U.S., Workers Compensation for a similar injury would result in a **\$144,292** payment. Worker A was also shortchanged of his severance pay before he was fired.
- If a worker misses one day’s work, as punishment he will be docked three days’ wages.
- While millions of democracy advocates are launching protests across the Middle East and North Africa, **workers at the Yuwei factory have never heard the word “union”** and have no idea what a union is or how it could help them.
- Ford must immediately conduct a thorough inspection of the Yuwei factory. The infrared safety monitoring system must **never again** be shut off, especially on the dangerous punch press machines.
- Factory management and Ford must provide additional compensation to Worker A of **\$72,126**, which is just one half what workers compensation in the U.S. would be.
- **Local and internationally recognized worker rights standards must be respected.**

PREFACE

It is Time to End the Race to the Bottom

By Charles Kernaghan

When Walter Reuther first started working at Ford as a tool and die maker in 1927, he was earning **\$1.05 an hour**, which today would be the equivalent of **\$13.29**.

Eighty-four years later, a worker in China producing auto parts for export to Ford is paid just **80 cents an hour**. He and his co-workers have never heard the word “**union**,” and have no idea what it is or how it can help them.

It was Wall Street’s greed and wild excesses which led to the Great Recession that brought our economy to the brink of collapse, leaving—even today—more than 25 million Americans out of work or forced to take drastic cuts, working part time.

It is a sad fact that not one single high flyer on Wall Street has been prosecuted for destroying our economy. Instead, Wall Street racked up **\$70 billion** in profits last year. This was only part of corporate America’s profits, which reached **\$1.7 trillion** in 2010—the highest in the last 60 years. Corporations are holding onto their profits rather than investing in the U.S.

These same corporations are now moralizing to us that while there are poor working people amongst us, we cannot allow middle class union workers to earn a living wage, receive benefits, or have the right to organize and bargain collectively. Essentially, corporations and their political mouthpieces are saying we have to spread the poverty so no one is left alone.

In a sick sort of way, they have a point. Unions have to take all workers with them. We cannot leave anyone behind.

We need to entirely change the debate going on in America.

This is what we can do. We can help workers in the U.S. and across the global economy if we hold corporations accountable to respect local labor laws and internationally recognized labor rights standards.

There is a precedent. Corporations have demanded and won all sorts of laws backed up by sanctions—intellectual property and copyright law—to protect their products in the global economy. Corporations say that without such legal protections, it would be chaos and a race to the bottom. For example, Mattel sues on average once a month to protect “**Barbie**.” If another doll comes along with look-alike lips, Mattel will sue to protect their “**Barbie**.”

We do not entirely disagree with the companies on this. There does need to be a level playing field.

Working together with the United Steelworkers union, religious organizations, students and other activists, we drew up worker rights legislation which for the first time ever will hold corporations accountable to respect local labor laws in the U.S. and internationally.

The legislation is very simple. Corporations must adhere to the local labor laws, including minimum wage levels, in the countries where they are producing. This should be no problem, as every company says they already do this. Have you ever heard a company say they are violating local labor laws? In addition, under the legislation, corporations will be held accountable to respect the core ILO internationally recognized worker rights standards—no child or forced labor, decent working conditions, freedom of association, the right to organize a union and bargain collectively. Here too, this should not be a problem, since the companies say they strictly adhere to the International Labor Organization's worker rights standards.

The **Decent Working Conditions and Fair Competition Act** is very simple. Corporations can produce goods and services anywhere in the world. But if they violate local labor laws in the countries they are producing, then their goods cannot be imported to the U.S., sold here or exported. The same is true of the core ILO labor rights standards. If the ILO standards are violated, the product cannot be imported, sold or exported from the U.S.

When the USW introduced the jobs bill in the 110th Congress, there were **175** co-sponsors in the House and **26** in the Senate, including Senators Obama, Biden and Clinton.

A Harris Poll showed that **79 percent of the people surveyed supported the proposed labor rights legislation.**

There is even a precedent for such legislation. When Congress was alerted that garment manufacturers in China were producing winter jackets for sale at the Burlington Coat Factory stores, and that the fur collars were made of dog and cat fur, Congress went ballistic. No one would kill dogs and cats on their watch! In no time, they passed the ***Dog and Cat Protection Act of 2000***, which prohibits the import, sale or export of dog and cat fur from the U.S. Now we need to give the same legal protections to workers in the global economy.

This is our time to act, and the worker rights legislation is our vehicle.

When the stock market crashed in October 1929 and the Great Depression took hold, two thirds of Ford employees were laid off and wages plummeted. There was no unemployment insurance at the time, but the struggle went on. On March 7, 1932, the **Ford Hunger March** saw 100,000 rallying in Detroit, while thousands more marched on the River Rouge Ford plant. Five union workers were shot and killed, while scores of others were injured. In 1938, the United Auto Workers had 370,000 due-paying members. By 1941, after a long struggle, the workers won the right to organize at Ford.

We won then and we can win now.

Our economy belongs to the American people every bit as much as it belongs to the corporations.

This is a time for struggle and solidarity.

Profile of Dongguan Yuwei

Dongguan Yuwei Plastics and Hardware Product Co. Ltd.

#222, Zhenan West Road
Shangjiao Industrial Estate, Changan Town
Dongguan City, Guangdong Province
China #52387

Deputy factory manager: Mr. Steven Zhou
Phone: +86-796-85373760 ext. 2337
Cell: +86-13450056093
Fax: +86-769-85257489

The factory, founded in 2000, produces plastic and metal component auto parts used in gear shifts, brakes, lights, doors and panels for Ford, General Motors, Chrysler, Honda and Volkswagen. According to management and workers, **Ford accounts for approximately 80 percent of total factory production.**

Auto parts from the Dongguan Yuwei Plastics and Hardware factory are exported to the U.S. and Mexico.

There are approximately 350 workers at the factory. (Depending upon slow or peak season production, the number of factory workers can vary from 200 to 400.) The Dongguan Yuwei Plastics and Hardware Product Co. Ltd. has an office and warehouse under the name **CBC (USA) Inc.** in the United States, in **Ann Arbor, Michigan.**



CBC(USA), Inc.

CBC (USA) Inc.

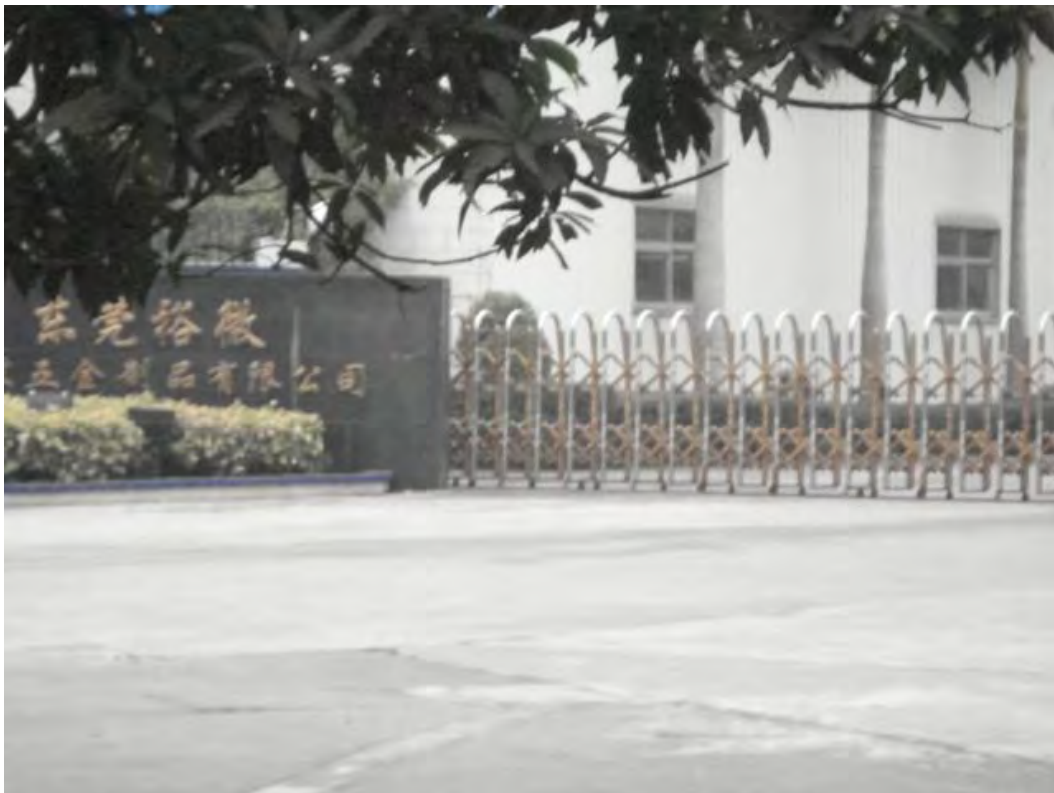
3660 Plaza Drive, Suite 5
Ann Arbor, Michigan 48108, U.S.

USA Contact: Mr. Wenchii Tao
Phone: 734-223-5143
734-645-2493
Fax: 734-997-9758

According to CBC (USA) Inc's website, the company provides *"seamless coordination to our customers and just-in-time logistics in North America and Mexico."* Moreover, *"our priority and focus are quality and 100% on-time delivery! Our China plant and US office can provide not only low price but also timely service for you. Our local (USA-close to your plant) warehouse can deliver parts to you per week."* In 2009, CBC (USA) Inc. generated **\$15,800,000** of revenues in the U.S.



CBC(USA), Inc.

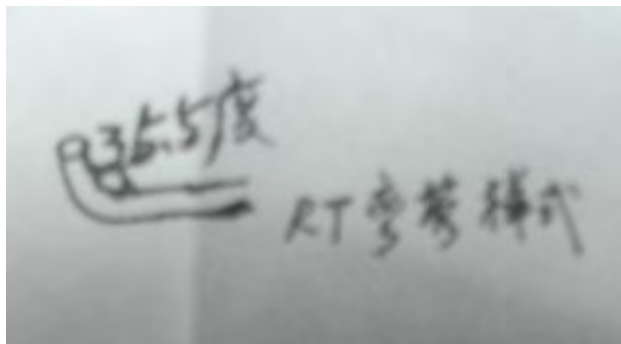


Dongguan Yuwei Plastics and Hardware Product Co. Ltd.

The Story of Worker A

Worker A” started working at the Yuwei Plastics and Hardware Factory on April 1, 2006, when he was just 18 years old. He was severely injured on March 13, 2009, when he was 21. He recalled vividly that it was 9:40 a.m. when he was injured. Three fingers were torn off his left hand and two knuckles gouged out. His left hand is basically inoperative. Management fired him in August 2010 without his proper severance pay. At 22 years of age, with his left hand maimed, he says: “Now I can’t find a job.” He produced auto parts for Ford.

Worker A operated a 60 ton punch press molding, or stamping, machine which cut and bent what the workers called an “RT Tube” or metal gear shift about 5 inches long and less than a half inch in diameter which a 35.5 degree bend in the tube.



Workers drew a picture of the “RT Tube”.

The punch press machine was equipped with an infrared safety monitoring device, which would immediately shut the machine off if a worker’s

hand went into the danger zone. However, a factory manager ordered Worker A to turn off the infrared safety system.

Worker A explained: “Some of the small parts could not be done with the infrared monitoring on. We had to turn it off. **My boss did not let me turn it on.**”

To make certain we understood what he was saying, we asked the same question again. His response was: “If you had it [the infrared monitor] on, you couldn’t make certain products. **We had to turn it off.**”

Not only were the infrared safety controls shut off, new workers reported that they went straight to the workshop and **began operating dangerous machinery without training, or even the most cursory explanation regarding what safety procedures to follow at work.** When asked again, the workers repeatedly confirmed that they receive no health and safety training before being assigned to their work station.

Management set a production goal for Worker A of stamping out **300 “RT tubes” an hour—or one piece every 12 seconds.** This pace went on non-stop. In the regular eight-hour shift he had to complete **2,400 pieces**, and with the four hours of mandatory overtime, **he had to stamp out 3600 “RT tubes” a day.** After the “RT tubes” were cut and bent, they went straight to the plastic injection line.



At 9:30 a.m. on March 13, 2009, Worker A's left hand got caught in the punch press machine, which tore off three fingers and several knuckles.



CBC(USA), Inc.

“When I got injured at work, I had this feeling that other injured workers had,” said Worker A. “I was depressed. I felt like my life was completely over and I had no hope. I didn’t know what my future would be. I was afraid that people would mention my deformity. I was somewhat less than other people.” He felt it was so unfair that he was so young, but so badly injured. Of course, he wondered if he would ever find a woman who would marry him. Also, how could he earn a living with just one good hand?

After spending nearly seven weeks in the hospital—from March 13 to April 29, 2009—Worker A was released. He received no occupational rehabilitation training. On his own, he is trying to regain some strength in his left arm and hand. He can now lift a 33-pound weight with his left arm.

Management at the Dongguan Yuwei Plastics and Hardware Product Company does pay into the government’s Social Insurance Agency so that injured workers are at least covered for medical insurance and work injury insurance. If

a worker is hurt on the job, the Social Insurance Agency will pay his or her medical bills and provide work injury compensation.

For a very serious 8th Degree injury—the loss of three fingers and several of his knuckles, leaving his left hand largely inoperable—**Worker A received a Social Insurance payment of just 11,000 RMB, or \$1,667.93.** (The one-time Social Insurance workers compensation was set at 10 months pay—for an eighth degree hand injury—based on the average monthly wage he earned over the last 12 months, which was 1100 RMB (\$166.79) for a total of \$1,667.93.)

Factory management was also required to pay Worker A work injury compensation of **38,000 RMB, or \$5,761.94.**

For the loss of three fingers, leaving his left hand seriously maimed, Worker A—who was just 21 years old at the time of his accident—received a **total compensation of just \$7,429.87, or \$2,476.62 per finger.**

In the global sweatshop economy, life, and lost fingers, come cheap.

Workers Compensation in the U.S.

In New York State, a worker belonging to the United Auto Workers union (UAW) who suffered a tragic injury similar to Worker A’s—with an 80 percent loss of his left hand—would receive a Workers Compensation payment of **\$144,252.80.** (This would be based on payment of \$739 a week x 195.2 weeks—for 80% loss of hand—amounting to a total of \$144,252.80.)

A \$144, 252.80 compensation for an 80 percent loss of a hand is not much. But it is light years different from **China’s workers compensation**, which comes to just **\$1667.93** for an 80 percent loss of hand function. This is just a little over one percent (1.156%) of what a U.S. union auto worker would receive.

Work Injuries

We know of at least four very serious hand injuries over the last five years at the Dongguan Yuwei Plastics and Hardware Factory. In 2005, a worker lost his palm and fingers. In 2007, in March and April, two workers suffered very serious finger loss. One worker had a 10th degree injury, which meant his hand would never function again. In August 2009, Worker A suffered an 8th degree hand injury, where three of his fingers were torn off along with several of his knuckles. His left hand is basically inoperative.

Workers report that less serious injuries are much more frequent. —If all depends,” one worker told us, —on how heavy the work load is and how many orders the factory has. When there is a lot of work and overtime, there are more injuries.”

On average we are told, there are —more” injuries every one to two months, and sometimes more. When it is very busy there can be several injuries in a month.

Another worker told us: —There have been a lot of less serious ones [injuries]. You wrap it up and rest for a couple of weeks.”



CBC(USA), Inc.

**“Great Attentions Are Attached
To the Updating of Equipment and Production Facilities”**



Seriously maimed workers are quickly fired.



CBC(USA), Inc.

“With abundant machines and professional staff, we have ability to develop a long-term business relationship with our clients.” --CBC (USA) Inc.

The Yuwei Plastics and Hardware factory in Dongguan is certified by the International Automotive Task Force (IATF) / ISO/TS 16949.

Bill of Lading

SHIPPER

GOLD DECOR ASSOCIATED LTD.
ZHENAN ROAD,
SHANGJIAOPRECINCT,
CHANGAN TOWN DONGGUAN
GUANGDONG
CHINA

CONSIGNEE

CBC (USA) INC.
3660 PLAZA DRIVE, SUITE 5 ANN ARBOR
MI 48108, USA

PACKAGING INFORMATION

Weight: 6,589.84 KG
Quantity: 431.00 CTNS
Estimated Value: \$40,419.11

SHIPMENT DETAIL

Country of Origin: Peoples Republic of China
Arrival Date: 03/27/2009
Vessel: MAREN MAERSK
Port of Arrival: Los Angeles
Port of Departure: Yantian

AMS COMMODITIES

Description

431 CTNS=10 PALLETS C170 KNOB CHROME PLASTIC OVERMOLD/SHIFT LEVER
CD338 KNOB PVC LEATHER HEV KNOB(NO OD) D3 PVC KNOB CAP 002 ASSEMBLY
BEZEL ASSEMBLY D2 OD BUTTON MIC LOWER CONTACT INSERT ASSEMBLY
INSERT M6 FLANGED NUT BLADE A HANDLE ASSEMBLIES THIS SHIPMENT
CONTAINS NO WOOD PACKAGAING MATERIALS

On March 13, 2009, Worker A lost three fingers and several knuckles while working on auto parts for export to the U.S. The above may be the very products he was working on when his left hand was destroyed.



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A Pattern of Firing Injured Workers

Worker A, just 21 years old, suffered a serious injury on March 13, 2009. Management deliberately shut off the infrared safety monitoring system on the punch press and cutting machine he was operating, which resulted in the loss of three fingers and several knuckles, leaving his left hand seriously maimed.

After leaving the hospital, management reassigned Worker A to the plexiglass processing department where he was a “material handler,” (which is an odd assignment for someone with just one good hand.) He lasted nearly a year and a half, before he was fired on August 25, 2010.

Worker A’s firing fits a pattern of other seriously injured workers who were also reassigned to other departments only to be fired a few years later. For example, two factory workers suffered extremely serious hand injuries in 2007. A little over three years after their injuries, they too were fired. One of these fired workers explained:

“For injured workers the factory would think of ways to force them to leave. Injured workers never get a pay raise. They can only secure a minimum living standard. Injured workers all leave the factory because of [the low] wages.”

It appears that management is just waiting for the appropriate moment to sack the maimed workers, thereby severing all relationships with them. To fire the maimed workers too quickly might draw too much attention and anger.

Cheating Workers of their Severance Pay

After Worker A was fired, a factory manager told him that since he was terminated, he had no legal right to severance pay. The owner knew this was a lie, but if he could bluff and frighten the young worker into leaving without his severance, then that would be so much more money in his pocket.

It was not until Worker A filed a letter of complaint with a local labor office that management agreed on January 19, 2011 to pay his severance.

Worker A had been employed at the factory from April 1, 2006 to August 25, 2010, when he was fired. He had worked 53 months—nearly four-and-a-half years—at the factory. Management offered Worker A a severance of 12,000 RMB (\$1,819.56) based on six months severance at 2,000 RMB (\$303.26) per month.

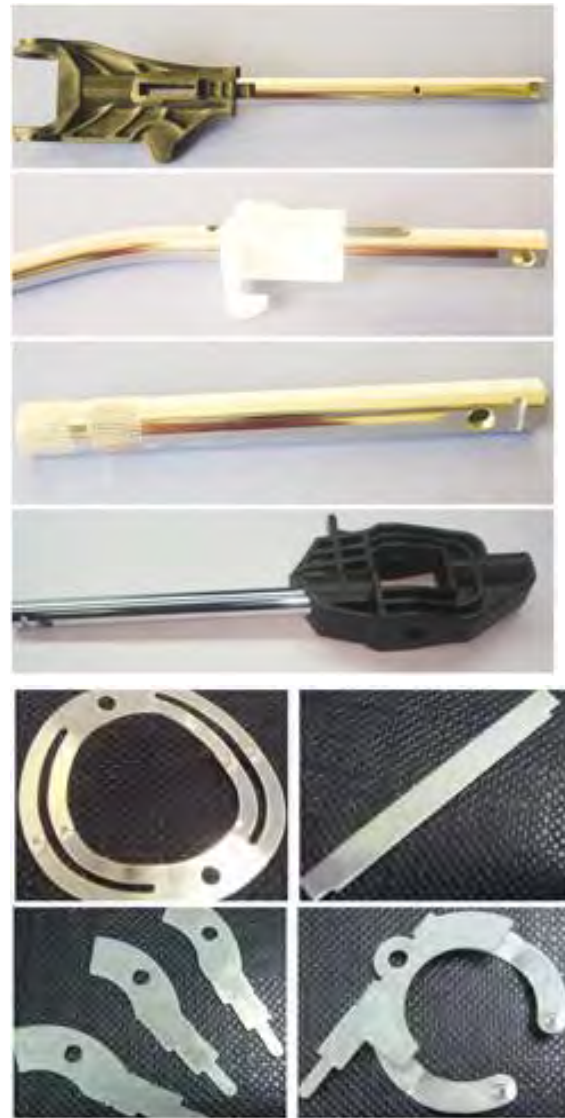
But according to the law, the injured worker should have received a severance pay of **18,000 RMB, or \$2,729.34**. From April 1, 2006 when he started working at the factory through December 31, 2007, he was due 4000 RMB plus 50 percent as extra compensation for late payment of his severance, bringing the subtotal to 6,000 RMB, or \$910. For the period January 1, 2008 through his firing on August 25, 2010, he was due double severance compensation which would bring the subtotal to 12,000 RMB, or \$1819.56. (China’s labor contract law, which came into effect as of January 2008, stipulates that severance must be paid at twice the base wage. And factory management itself had set the minimum severance pay at 2,000 RMB per month.)

For months, Worker A fought to receive his full legal severance pay of \$2,729.34. In response, one of the factory managers—whom the workers refer to as “Boss”—told the worker:

“If you want to create a sensation, then go ahead. Even if you win a lawsuit, I would still not pay one cent. If I lose the lawsuit, whatever you do does not matter, I don’t care if you go to the court.”

Of course, the reality is that poor workers do not have the resources or connections to bring a lawsuit against a wealthy and well-connected factory owner.

In the end, Worker A had to accept a severance of 12,000 RMB (\$1,819.56). **Management cheated the seriously injured worker of \$909.78.**



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What Ford Must Do

According to both management and workers, **Ford** accounts for approximately **80 percent** of total production at the Dongguan Yuwei Plastics and Hardware factory. This makes Ford responsible to clean up the factory and bring the plant into compliance with internationally recognized labor and human rights standards and adherence to occupational health and safety laws.

* **Never again can factory management be allowed to shut down the infrared safety monitoring systems**, especially on the dangerous punch press, cutting and stamping machines.

* From this point forward, **all workers must receive proper and thorough training with regard to both safety and machine operation.**

* Worker A—who was horribly maimed when factory management deliberately turned off the infrared safety controls on the punch press machine he was operating—**should, at a minimum, be paid the outstanding \$909.78 he is still owed of his legal severance pay.**

Worker A should be offered free of charge any occupational rehabilitation training which may improve the use of his left hand.

Given that the auto parts Worker A made are exported to the U.S., we ask that, at a minimum, Worker A receive an **additional workers compensation payment of \$72,126.40**. This is a very modest settlement amount, just half of what workers compensation is in the U.S. Though \$72,126.40 is not a lot of money, it might help factory management think twice before they again shut down the safety monitors on their stamping machines.

* Ford should not be complicit in the payment of below-subsistence wages and the suppression of local and internationally recognized worker rights standards, including the workers' right to organize an independent union. **As things stand now, factory management is so restrictive that workers have zero rights and no voice.** Ford should use its considerable influence to change this.

* When Ford, or any other multinational, outsources production to China or elsewhere without regard for fair wages and respect for worker rights, they are just contributing to the race to the bottom in the global sweatshop economy.

Worker A Describes the Factory

Worker A described the factory as very damp and with poor ventilation. He and other workers handled a lot of thinners and cutting fluids. *“We use thinners,”* he said, *“because some auto parts have to be soaked in thinners to remove the grease and dirt so the parts look shiny and brand new. The factory distributes gloves and masks. With the masks, workers breathe in less poisonous chemicals.”* Cutting fluids, which smell horrible, were used for cooling down and lubricating the cutting tools. *“To speed up the machines, we use the cutting fluids to protect the cutting tools.”*

Dripping in their Own Sweat

During the long, semi-tropical summer months in the South of China where the auto parts factory is located, the workers reported working drenched in their own sweat. There were fans in between the large punch press machines, but they provided no relief whatsoever, and the factory has no air conditioning.

Worker A reported that often he worked with his uniform soaking wet from sweat.

Long, Grueling Hours

During the seven-month peak season, from March through September, when factory orders are high, **it was typical to work a 14-hour shift, from 8:00 a.m. to 10:00 p.m., seven days a week.** During the peak season, it is not

uncommon to work 30 days a month. When it is busy, workers will only take time off on national holidays. However, if workers are exhausted, they can request a day off.

Typical Peak Season 14-Hour Shift: Working 12 Hours a Day, Seven Days a Week

8:00 a.m. – 12:00 noon	Work; 4 hours
12:00 noon – 01:30 p.m.	Lunch; 1 ½ hours
01:30 p.m. – 05:30 p.m.	Work; 4 hours
05:30 p.m. – 06:00 p.m.	Supper break; half hour
06:00 p.m. – 10:00 p.m.	Overtime; 4 hours

During the peak season, this schedule puts the workers at the factory **98 hours a week**, while working **84 hours, including 44 hours of overtime.** However, given the exhausting schedule, it is not uncommon for workers to take one day off a month and to work less than the standard 12-hour shift on Saturdays and Sundays. Including these breaks, on average, workers report toiling **78 ½ hours a week and 340 hours a month.** Since the regular legal workweek is 40 hours, this means that the workers are working **38 ½ hours of overtime each week, which exceeds China’s legal limit on permissible overtime by 363 percent!** (On average, workers put in 166.83 hours of overtime a month, while China’s labor laws limit overtime to just 36 hours of overtime a month.) Also, under China’s labor laws, all overtime must be voluntary, which is clearly not the case at the Yuwei Plastics and Hardware Factory.

Regular hours are eight hours a day, five days a week, for a 40 hour workweek. However, even during the slow season, at a minimum management demands workers remain for

overtime at least on Saturday mornings. It is also not uncommon for workers to be required to toil 11 hours on weekdays, working three hours of mandatory overtime, in addition to a four or an eight-hour shift on Saturday. So even during the slow season workers can be required to put in 50 to 64 hours of work a week.

One worker explained, “*All workers worked on Saturday morning. It was overtime. Working on Saturday afternoon depended on the situation in the factory. If it was busy we continued working in the afternoon.*”

Life is Dull

“Life is dull,” worker A told us, “Basically I get up at 7:30 a.m. in the morning, quickly get ready and go to the factory around 7:45 to eat breakfast and begin working at 8:00 a.m. I operated a punch press machine...I repeated the exact same operation again and again. After the morning shift, I took a nap after lunch. My job was making auto parts. On weekdays, I rarely went out in the evenings. Usually I went to get some cheap midnight snack after work, and went back to the dorm, took a shower, washed my clothes and went to bed, because by that time it was already midnight. Occasionally when it was not busy in the factory, I might go to a nearby bar on weekends to relax with friends. We went to small ones which workers could afford.”



Factory Discipline is Severe

- **If workers miss a day, management deducts three days wages as punishment.**
- In the course of a month, if the worker is late for a total of 15 minutes, every additional minute thereafter will be docked one RMB, or 15 cents. Much more serious is being late for overtime. **For being one minute late to overtime, a half-hour of their overtime wage is deducted.**
- Workers are allowed one paid sick day each month. The only glitch is if a worker takes a sick day they lose their entire monthly attendance bonus of 80 RMB, or \$12.13, which is twice a day's regular wage of \$6.41.
- **Demerit System:** Management also uses a demerit system. For example, workers who arrive late to work too often will be given a demerit. Workers can receive demerits for disobeying management, skipping work, and other perceived violations. Three demerits lead to automatic firing.

Workers Have Never Heard of a Union

Conditions at the Yuwei Plastics and Hardware Factory in Dongguan are so backward and restrictive that when asked, workers responded that they had no idea what a ~~union~~ "union" is, how it functions, or how it could help them.

Clearly the workers have no rights, leaving them isolated and trapped under conditions where management holds all the cards.

As demonstrator protests are rocking the Middle East and North Africa, many workers in China still have no idea what a union is.

Eighty Cent-an-hour Base Wage

At the time of the research, the base wage in the auto parts factory was 916 RMB a month (\$130.89) and 80 cents an hour. (Recently the base wage was raised 14 cents a month and .0035 cents per hour.)

Base Wage *(916 RMB per month)*

\$0.80 a hour
\$6.41 a day (8 hours)
\$32.05 a week (40 hours)
\$138.89 a month
\$1,666.72 a year

However, deductions were taken out of the workers' wages by management for room and board. Six to eight workers shared each dorm room—sleeping on double level metal bunk beds—and management deducted 60 RMB (\$9.10) per month from each worker. Workers were also each charged 210 RMB (\$31.84) per month for food, which was also deducted from their wages. This would bring the workers' base wage down to just 646 RMB (\$97.95) a month, after deductions. This brings the workers' take home base wage down to just 56 ½ cents per hour.

On the other hand management also provides several stipends, such as an 80 RMB (\$12.13) a month stipend for perfect attendance. Workers also received a regular stipend of 190 RMB, \$28.81, each month along with a 90 RMB stipend (\$13.65) for something called their "work position." There was also a two RMB stipend (30 cents)

for working overtime hours during a night shift.

The stipends, minus the deductions for room and board, bring the regular wage up to 1006 RMB per month—again, depending upon perfect attendance—\$152.54 a month, \$35.20 a week and 88 cents an hour. No one can survive on 88 cents an hour, which is why the workers rely upon working as many overtime hours as possible. Young workers are trying desperately to save money in order to marry while older couples are saving every cent to send home to their children and their elderly parents.

By law, overtime on weekdays is paid at a 50 percent premium, \$7.9 RMB (\$1.20) an hour, while overtime on weekends must be paid as double time, 10.45 RMB (\$1.58.)

Peak Season Wages *(1,500-2,000 RMB)*

\$52.49 - \$69.98 a week (40 hours)
\$227.45 - \$303.24 a month
\$2,729.34 - \$3,639.12 a year

To earn a take home wage of \$69.98 a week the workers must toil a seven day 70.5 hours a week, including 30.5 hours of overtime. Even with the excessive—and illegal—mandatory overtime hours demanded by management, **the workers are still earning an average take home wage of just 90 cents an hour after deductions.**

Dorm Conditions

By China's standards, dorm conditions at the Yuwei Plastics and Hardware Factory are not too bad. There are four double-level bunk beds in each room. Workers count themselves lucky if there are just six people sharing the room, which frees up two bed spaces for the workers to store their personal belongings.

There are water fountains on each floor and workers can drink the water for free.

Each dorm room has a bathroom with hot water. There are two ceiling fans and also air conditioning, but it is unclear if the workers have to pay the electric bills for using the air conditioner.

Security guards at the dorms only stop and check workers going in and out of the dorm if they are carrying luggage.

Workers who choose not to live in the dorms or eat in the factory's cafeteria are still charged a deduction of 60 RMB (\$9.10) each month.



Labor Contract

Workers sign a three-year labor contract with factory management after two or three weeks of employment. The contract includes a six month probation period. However, in violation of China's labor laws, the workers are not provided a copy of the contract they signed with management, nor could they discuss or negotiate any of the clauses.

Factory Uniforms

Workers must wear factory uniforms while at work. Summer uniforms cost 20 RMB (\$3.03), while winter uniforms are 70 RMB (\$10.61). Uniform costs are deducted from the workers' wages. After the first year, uniforms are free.



A job announcement at the front gate of the Dongguan Yuwei factory

**Job Announcement Posted at Front Gate
December 2010**

“Work Hard, Endure Hardship”

Dongguan Yu-Wei Plastics and Hardware Factory

The company is an auto supplier for major brands in the world. Our clients include Ford, Chrysler, GM, Volkswagen etc.

Chang-An Town, Shang-Jiao Management Area, Zhen-An West Road, No. 222

1. *Beautiful surrounding areas; convenient; air-conditioning in the cafeteria and the dormitory; 24-hour supply of hot water/clean water; basketball courts, table tennis tables, badminton courts, newspapers and magazines, TV in the cafeteria etc.*
2. *Full attendance award of 80 RMB. 2 snacks every week. Taking complementary time during overtime hours would not affect full attendance. Great benefits. The factory primarily produces plastic, hardware and other auto parts, now publicly recruiting the following positions:*
 5. *Injection Molding Operator: multiple openings*
*This position is limited to female workers, 18 to 32 years of age. You must be familiar with plastics and know how to shave the burrs off the edges of plastic products. You must be willing to comply with work arrangements, **work hard and endure hardship** (You must be willing to work the night shift. You will work night shift every other month)*
 6. *Quality inspector (multiple positions):*
*This position is limited to female workers, 18 to 32 years of age. Priority will be given to those who have experience working on the assembly lines at electronics factories. You must be willing to comply with work arrangements, have a strong sense of quality, **work hard and endure hardship**.*

Base pay: 920/month; overtime on weekdays: 7.9; Overtime on weekends: 10.45; monthly salary up to 1800-2100.

The company provides excellent salaries and benefits for every employee and buys social insurance for every employee. The company signs a labor contract with employees once they are employed. Those who are interested please walk in with required documentation for an interview immediately!

Trade Deficit with China

Costs 5.5 Million Americans Their Jobs

U.S. Trade Deficit with China Reaches Record Levels--\$273.1 billion in 2010

In 2010, U.S. exports to China totaled **\$91.9 billion**, while China's exports to the U.S. reached **\$364.9 billion**, leaving the U.S. with a record trade deficit with China of **\$273.1 billion!**

This \$273.1 billion trade deficit has resulted in the **loss of 5.5 million U.S. jobs**. (Economists, including at the White House, estimate that every \$1 billion in exports to China create 20,000 U.S. jobs, and vice versa. A \$1 billion trade deficit with China takes away 20,000 jobs.)

- For every \$1.00 we export to China, China exports \$4.00 of goods and services to the U.S. (\$3.97)
- China is now the world's largest exporter.
- China has replaced Japan as the world's second largest economy.
- China's economy grew 10.3 percent in 2010, and is one of the largest destinations for Direct Foreign Investment.
- Goldman Sachs' chief of asset management, Mr. Jim O'Neil, advises that, "**China must be part of every intelligent investor's long term strategy.**" (*New York Times*, January 23, 2011)
- China is spending \$2 billion a day to hold down the value of its currency, the Renminbi (RMB) which is undervalued by 20 percent or more.

- **China is not ready for Democracy (?)**: *"The Chinese Government has also tried to get out ahead of the discussion, framing the Egyptian protests in a few editorials and articles in state-controlled news publications as a chaotic affair that embodies the pitfalls of trying to plant democracy in countries that are not quite ready for it—a line China's leaders have long held."* (*New York Times*, February 1, 2011)

Addenda

Shipping Documents

Bill of Lading

SHIPPER

GOLD DECOR ASSOCIATED LTD.
ZHENAN ROAD,
SHANGJIAOPRECINCT,
CHANGAN TOWN DONGGUAN
GUANGDONG
CHINA

CONSIGNEE

CBC (USA) INC.
3660 PLAZA DRIVE, SUITE 5 ANN ARBOR
MI 48108, USA

PACKAGING INFORMATION

Weight: 6,364.00 KG
Quantity: 532.00 CTNS
Estimated Value: \$46,227.85

SHIPMENT DETAIL

Country of Origin: Peoples Republic of China
Arrival Date: 01/09/2011
Vessel: MARIT MAERSK
Port of Arrival: Los Angeles
Port of Departure: Yantian

AMS COMMODITIES**Description**

PRESS WASHER CONNECTOR BODY FOR 7381-V SOCKET MOUNTING PLATE-NYTA
SLIDER
PEDAL PAD D3L KNOB CD338 KNOB PVC LEATHER HEV KNOB(NO OD) AGATE
HANDLE AND BUTTON ASSY B299 RHD KNOB

Bill of Lading**SHIPPER**

GOLD DECOR ASSOCIATED LTD.
ZHENAN ROAD,
SHANGJIAOPRECINCT,
CHANGAN TOWN DONGGUAN
GUANGDONG
CHINA

CONSIGNEE

CBC (USA) INC.
3660 PLAZA DRIVE, SUITE 5 ANN ARBOR
MI 48108, USA

PACKAGING INFORMATION

Weight: 11,860.00 KG
Quantity: 937.00 CTNS
Estimated Value: \$73,177.44

SHIPMENT DETAIL

Country of Origin: Peoples Republic of China
Arrival Date: 01/24/2011
Vessel: MAERSK ALTAIR
Port of Arrival: Los Angeles
Port of Departure: Yantian

AMS COMMODITIES**Description**

PRE-PUNCH STRAP METAL 25 FIXTURE BOX
BRACKET-LEFT(NYTA) LAMP SHIELD(NYCTA) PEDAL
PAD D3L KNOB CABLE MOUNT WITH OVERMOLD BULLET
ART FEEL SIDE ASSY SHROUD CHARCOAL HANDDLE
AND BUTTON ASSY B299 RHD KNOB TRIM PLATE
YOKE(INSERT MOLD) CD338 KNOB HEV

Bill of Lading**SHIPPER**

GOLD DECOR ASSOCIATED LTD.
ZHENAN ROAD,
SHANGJIAOPRECINCT,
CHANGAN TOWN DONGGUAN
GUANGDONG
CHINA

CONSIGNEE

CBC (USA) INC.
3660 PLAZA DRIVE, SUITE 5 ANN ARBOR
MI 48108, USA

PACKAGING INFORMATION

Weight: 12,182.00 KG
Quantity: 806.00 CTNS
Estimated Value: \$75,161.72

SHIPMENT DETAIL

Country of Origin: Peoples Republic of China
Arrival Date: 02/06/2011
Vessel: MAERSK ALTAIR
Port of Arrival: Los Angeles
Port of Departure: Yantian

AMS COMMODITIES**Description**

806CTNS=20PLTS ADKS CLIPS AND LINKS PRE-PUNCH STRAP METAL 25'
ENCAPSULATED
CLIP COVER FOR 7 381-V MOUNTING BRACKET PEDAL PAD BEZEL ASSEMBLY
YOKE(INSERT MOLD) CD338 KNOB PVC CD338 KNOB CHARCOAL BLACK
CHARCOAL
HANDLE & BUTTON AS SY HANDLE & BUTTON SUB ASSY TRIM PLATE "THIS
SHIPMENT
CONTAINS NO SOLID WOOD PACKING MATERIAL."

Illegal Firing at the Dongguan Yuwei Factory

A Young Woman Tells Her Story

Management cheats the young workers of every cent they can. It is typical to fire workers just one day before their six month probationary period ends. This way they are not legally bound to pay compensation.

Stripped of their rights, without democratic political or union representation, the only voice the workers have is on anonymous internet chat lines, hoping someone will listen.

The following was posted on “*Dongguan New Air Forum*”:

Translation:

The purpose of writing down my experience is to exercise my freedom of speech and unmask a company like Dongguan Yuwei. Hopefully this would be a reminder for those who leave their hometown for work, and to see if there is anyone who is familiar with law and could give me some advice or help.

October 20, 2008, Monday, Sunny

At 7:45 a.m. I came to the front gate of the Dongguan Yuwei Plastic Company Ltd. It is located at No. 222, ZhenAn Road, ShanJiao Estate, ChangAn Town in Dongguan City. I specifically took a look at the office of security guards and see if any security guards or guard leaders would rush out to stop me from entering the factory. The security guard leader walked towards me from 3 meters away. I was nervous, preparing to respond to the challenge. But he didn't make any unusual moves. I was relieved, showed my factory ID as usual and entered the factory.

At 8 a.m. I sat at my usual office space in the office on the second floor. My computer screen was still there but the computer case was gone. In the afternoon of the previous Saturday, October 18, a Taiwanese officer Ren-Cai Xiao told the Deputy Manager Zhou to take away my computer case, not letting me use the computer. Now the computer wires are still on my desk.

I sit on my chair and can't help recalling my experiences a few days ago.

1. October 15, 2008, Wednesday, around 2 p.m. The Deputy Manager Zhou told me to meet in the conference room and said to me, “The economy is slowing down recently. The company will lay off people.”

The Assistant Vice President Mr. Shao-Yu Chen and the Taiwanese officer Ren-Cai Xiao asked you to leave by next Monday, October 20.” I immediately thought that October 21 happened to be the last day of my probationary period. The company wanted to fire me on the last day of the probationary period.

I worked at the Sales Department of the Dongguan Yuwei Plastic Company Ltd. (English name: CBC(USA),INC). My job title was —Sales Representative.” What I did in fact was handling orders. I entered the company on April 21 2008. The Deputy Manager Zhou interviewed me. I disagreed with the practice that employees had to sign a three-year labor contract with a six-month probationary period. To be honest that was the first time I encountered a company like this. The new Labor Law limits a probationary period to 6 months and the company set its probation to 6 months. Superb! At that time I thought about whether I should work in this kind of company. Seeing that I had my concerns, Zhou gave me 2 days to consider. After 2 days, I agreed to come to work. First of all I had pressure to make a living. Secondly I have always been responsible at work and taken work seriously. I did very well in a couple of previous companies. If I worked at this company and didn’t make any mistakes, the company probably wouldn’t fire me without any reasons. But life is unpredictable. After 5 months and 29 days, it happened to me. Of course this is from looking back.

Back to the story. Instructed by the executive level, Zhou wanted to fire me with an inadequate reason that the economy is slowing down. I told him it was not right for the company to lay off me for this reason. Zhou said that it was also because I was still in a probationary period. I said there was another sales representative who joined the company in August, later than me. He stayed silent for a while and said he got an order from the executives. Every department had to lay off 2 people. The Sales Department had fired one. (That was a girl named Juan whose desk was behind mine. She joined the company in August along with another sales representative Huang. The company notified Juan a couple of days ago that she had to leave on October 18.) Now the second one would be me. If I had any dissent, I could only talk to the Taiwanese officer Ren-Cai Xiao and Assistant VP Shao-Yu Chen. The latter was the one who was really in charge of the Sales Department.

2. On October 15, 2008, Shao-Yu Chen wasn’t in the office. At around 5 p.m., I left a message for him on Skype saying that what the company did was wrong and I wanted to talk to him. Despite that he came to the office in the morning, I didn’t get his reply or meeting appointments when I was about to get off work on the following day, October 16. So I left another message on Skype at about 5 p.m. on October 16. —haven’t gotten any reply from you. The company unilaterally, illegally terminated the labor contract without reason. I want to know what compensation the company will offer.”

3. On Friday, October 17, 2008 at about 11 a.m., Ren-Cai Xiao sent a message to me through Zhou on Skype, “Ask her to please put out her demands for compensation. We’ll accept it and be done with it this week.” Zhou told me, “Just say your demands. I’ll pass them on.” I demanded on Skype, “Now the company wants to lay me off. I’m asking for one month’s wages on top of regular wages as compensation. This is the economic compensation that I’m entitled to.”
4. Around 5 p.m. on October 17, Ren-Cai Xiao asked me to go in the general manager’s office and talked to me for about 30 minutes. Here’s the summary: He didn’t like to use the term —ompensation because it meant that what the company did was wrong. He used the word —stipend.” The company will pay a stipend of my wages of the next month. The amount of money that I will get is the same as what I requested. There won’t be a penny less. But Ren-Cai Xiao asked me to keep this confidential and not to talk about the stipend with my colleagues. As of the payment the company will deposit it into my bank account 7 days after I leave the company. There are two ways for resigning. I could write a resignation notice or the company could write a notice of layoff. He was inclined to let me write a notice. I said I would think about it. Zhou and I would process job transition.
5. On Saturday, October 18, 2008, I asked the human resource department about the last payment of wages after 8 a.m. I was told that the company would not give the person involved a paystub to sign and confirm before they leave. I thought it was improper. Many companies would pay cash or at least sign on a paystub with the employees that they lay off. Why didn’t this company do so? The payment will be in my account 7 days after. If there is any mistakes with the amount, it would probably be very difficult to get the money back at least 7 days after resignation. Some nice, experienced employee warned me against oral commitment. In the past there were employees who didn’t get what they were promised.

So after a sales meeting at 9 a.m., I went to Ren-Cai Xiao at a bit over 10 a.m. and asked him to sign a paystub before I leave the company or the company can pay me cash. Ren-Cai Xiao said there was no precedent. I told him there was. There was a sales representative Wang who got cash.

Ren-Cai Xiao was shocked when he heard me say this name. I could understand his surprise. Wang was a sales representative way before I was there. There was Chen who was laid off in April. (She worked for a bit over 5 months. The company did not compensate her when she left.) Before Chen it was Wang. Wang’s situation was similar to mine. The company fired him a couple of days before the probationary period of 6 months passed. After negotiation the company paid one month’s wages. He got cash when he left.

I got to know these bit by bit after I entered the company. If I had known all these inside stories, I wouldn't have agreed to work here. OK, back to Ren-Cai Xiao, he was surprised but he didn't ask how I found out the reparation and Wang. Ren-Cai Xiao kept denying that no cash was paid (but tacitly agreed that the company paid one month's wages.) I didn't tell him that I got Wang's phone number and contacted him while he was back in his hometown. He worked in a bank in his hometown. He heard about what happened to me and said right away, —How could the company play this trick again?" He said it was Ren-Cai Xiao who dealt with it. He left after they paid one month's wages. They paid because they didn't inform him one month in advance.

I asked the company to compensate one month's wages for two reasons. First the company didn't notify me one month in advance. Secondly I didn't make any mistakes during the probationary period. For my demands, Ren-Cai Xiao agreed verbally but refused to provide any written documents. He told me, —Just relax. I give you my word. Come to me if you don't get money after seven days."

I insisted on signing a paystub. In the end Ren-Cai Xiao said if that was what I want to do, he would write a notice of layoff following the company procedures and I won't get the stipend.

The conversation came to a stalemate. I was mad and sad towards Ren-Cai Xiao's ~~threat~~" and couldn't help tearing up and crying. Ren-Cai Xiao went on and I couldn't listen to him anymore. I was thinking, —How could I be bullied like this?"

Lunch break was approaching. Ren-Cai Xiao told me to go out and think. I stepped out with my eyes getting red from crying.

I thought about it for a while. The company treated me like this. Even if I couldn't get the stipend of one month's wages, I wouldn't go with Ren-Cai Xiao's suggestion. I'd let the company write a notice of layoff. It's fine if they wanted me to write a notice of resignation. But the premise was that I get compensated in cash or with a signed paystub.

I made up my mind and sent a message to Zhou. I told him Ren-Cai Xiao and I didn't reach an agreement about wages. I wouldn't process job transition today.

About 2 p.m. on October 18, Ren-Cai Xiao told Zhou to go in to his office. Afterwards, Zhou talked to me. Zhou said, —Don't trust Xiao. He assured you with his credibility and asked you to submit your factory ID and process transition. You can go to him after seven days if you don't get the compensation." I said it was not that I couldn't trust him but it was a problem between me and the company. If the boss said in the end that the company won't pay the compensation, Zhou as a deputy director couldn't do anything, could he? Zhou didn't say a word.

About 4 p.m., Ren-Cai Xiao told me to go in his office with Zhou's presence. Ren-Cai Xiao took out two copies of —Notice of resignation" and asked me to sign. I said I wouldn't sign it right away; I wanted to take a look at it. He immediately put on a poker face, grabbed the copy in my hand, put it into a drawer and told Zhou to cancel my computer account. So my computer case was taken away.

OK, so now we're back to 8:20 a.m. on Monday, October 20. I sat at my desk without a computer case. Ren-Cai Xiao went in to the general manager's office for a couple of minutes and came out. He walked to Zhou and told Zhou to meet him in his office. At a bit over 9 a.m., when I came back to my seat from workshops, Zhou came to me and said, —Why did you come to work today?" I said, —I'm an employee here. It's very normal that I come to work. And things are not settled. Of course I came to work." He said, —Now we don't need you at this job. You can't sit here. If you want a seat, you go to the empty desk over there or go to the front desk." I asked, —Why? Who asked you to do this?" He said it was Mr. Xiao. I said, OK, I don't want to make things difficult for you. So I sat at the empty desk.

About 11 a.m., Ren-Cai Xiao told me and Zhou to go to the general manager's office and asked if I still insisted on my request. I said yes. HE said, —Fine. Then now I'm telling you that you don't need to process the transition and the resignation procedures. The company will terminate the labor contract with you." He took out 2 copies of an announcement and gave me a copy. And he said to me, —You can go now."

That's it. After 5 months and 29 days at the Dongguan Yuwei Plastic Company in ShanJiao Estate, ChangAn Town, I was laid off. The company did not pay any compensation. The company still owed me my salary of September and October up to noon of the 20th. I heard that it will be in my account in seven days. But that needs to be verified.

Tianshu Chu

2008-10-21

东莞裕微塑胶五金制品

本公司为世界各地各大品牌汽车供应商,服务对象有:福特、克莱斯勒、通用、捷达等。
地址:安镇上角管理区振安西路222号。

1. 环境优美,交通便利,公司餐厅、宿舍都装有空调,24小时供应热水/纯净水,公司设有篮球场、桌球、羽毛球、报刊杂志、餐厅装有电视等。
2. 全勤奖80元,每周加餐两次,加班小时可以调休不扣全勤等,福利待遇优厚。主要经营汽车方面的塑胶、五金及其它零配件。现公开面向社会诚聘以下人才:

1. 文员:1名

限女性,20-28岁,高中以上学历,略懂英语(要求会看用英文产品报表及英文资料)1年以上文员跟单工作经验,熟悉ERP及仓库管理,熟练使用Office办公软件,沟通能力强,工作有责任心等。

2. 高车技工各1名

男女不限,20-32岁有2年以上皮具厂真皮车缝工作经验,熟练操作各种类型的高车、针车,车缝技术精湛,品质观念强,有较强的沟通能力,会处理高车常见的故障问题。

3. 平车技工各1名

男女不限,20-32岁有1年以上皮具厂真皮车缝工作经验,熟练操作各种类型的平车、针车,车缝技术精湛,品质观念强,有较强的沟通能力,会处理平车常见的故障问题。

4. 铲皮技工:1名

男女不限,20-32岁,从事过皮具厂铲皮工1年以上工作经验,能吃苦耐劳,能吃苦耐

5. 注塑作:多名

限女性,18-32岁,熟悉塑胶产品,会削塑胶产品批锋,服从工作按排,能吃苦耐劳(需上夜班,一个月倒一次班)。

6. 全检员:多名

限女性,18-32岁,有电子厂流水线工作经验者优先录用,服从工作按排,品质意识强,能吃苦耐劳。

作业员底薪920元/月,平日加班7.9元,假日加班10.45元,月薪资达到1800-2100元。
员工购买社保,员工在录用后公司会

work hard and endure hardship

Institute for Global Labour and Human Rights

5 Gateway Center, 6th Floor

Pittsburgh, PA 15232, USA

412-562-2406

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www.nlcnet.org