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Child laborers in Chinese supplier factories for a companies

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Executiv

Child labor is a serious that continues to plag industry. China Labor there could be as man laborers currently wor

developing southern and coastal areas, although exact numbers are difficult to verify. Many of the factories th laborers purposely obscure this fact in order to evade government regulators and circumvent Chinese labor law difficult at times to collect the necessary evidence needed to prosecute these factories and successfully regul industry.

The following investigative report documents confirmable accounts of child labor at three factories in souther these factories were found to employ teenage laborers between the ages of 15 and 17 years old. These find investigations carried out by China Labor Watch researchers in July of 2011. The three manufacturing compan Ningbo Lucky Craft Co., Ltd.; Hangzhou Ownseas Pen Co., Ltd.; and Dongguan B&N Industrial Co., Ltd. All thre companies supply American based retail stores, including Target, with manufactured goods.

The Ningbo Lucky Craft factory is a typical child labor case because of the small size of the factory. These sm: unregulated and workers have neither access to reliable institutions of redress nor effective legal enforcemen For these reasons, smaller unregulated factories are often the principle employers of child laborers. At the Nii CLW investigators interviewed a 15 year old girl, born in January 1996, who had already worked at the factory day, she was forced to work between 11 and 13 hours under the same working conditions as regular employee: United States like Target often contract out their manufacturing to smaller factories in spite of the evidence a widespread use of child labor. This practice goes directly against these multinational companies' corporate re violates Chinese labor laws. When China Labor Watch contacted Target about these matters, we received no r management. However, when China Labor Watch released pictures of Target labels on Dongguan B&N Industri:

immediately got in contact with China Labor Watch. At that time, Target admitted to having a business relationship with Hangzhou Ownseas Pen Co., Ltd., but refuted any statement linking them with Hangzhou Ownseas Pen Co., Ltd. and the Nirxuan Industrial Co., Ltd. Target is known to use third-party trading companies as a protective barrier between themselves and these Chinese factories, which would suggest that they still indirectly are dealing with these factories.

China Labor Watch has chosen to highlight these three factories in order to underscore the problem of child labor in the troubling state of China's manufacturing industry. The following violations detailed below are the direct result of interviews conducted by China Labor Watch research staff. While these violations are truly serious, they are not unique to these three factories. Instances of child labor and illegal labor practices are unfortunately typical of the wide range of factories in China's manufacturing industry.

Listed below is a brief summary of the labor violations uncovered at Ningbo Lucky Craft Co., Ltd., Hangzhou Ownseas Pen Co., Ltd. and Dongguan B&N Industrial Co., Ltd. factories. Following the summary, this report will go into further detail concerning the labor and working conditions found at these factories.

Violations found at the Ningbo Lucky Craft Co., Ltd. factory

- The factory openly employs underage laborers between the ages of 15 and 18 without labor contracts or identification documents. They work the same amount of hours and perform the same kind of tasks as regular workers.
- There is no health examination or orientation training for newly hired factory workers.
- It is very difficult for workers to resign from the factory. Workers may leave the factory only if they are given the approval and signature of the factory manager on their resignation form.
- Labor contracts are written with no worker input or consultation. Workers are merely made to sign the contracts without an adequate explanation pertaining to its content.
- When asked about minimum wage rates for newly hired factory workers, neither factory workers, managers, nor the factory knew any specifics on the matter.
- The labor contract states that the system for work hours is based on set standards and regulations, but it does not name any specific guidelines and is rather vague on what the length of the average workday should be.
- The factory has not fulfilled its contract agreements with workers and has in many cases violated Chinese labor laws.
- Most workers are paid a very low piece-rate wage that makes it impossible for them to earn a living wage without excessive overtime hours.
- The factory regularly requires workers to work an exceedingly large number of overtime hours with little or no compensation. Workers are forced to take turns eating and working during meal times.
- The factory provides workers with no sick leave, maternity leave, marital leave, personal leave, or annual leave, and does not pay over national holidays.
- Room and board conditions at the factory are very poor and not very hygienic.
- The factory provides workers with inadequate safety equipment and does not enforce factory stipulations regarding safety equipment in the workshops.
- The factory has no labor union or worker representatives, as well as no worker phone hotline for reporting violations.
- Factory authorities train workers to give false answers to factory auditors in order to create an appearance of compliance with the law. Workers are pressured to lie deliberately or else face severe punishments.

Violations found at the Hangzhou Ownseas Pen Co., Ltd. factory

- The factory openly employs underage laborers between the ages of 15 and 18 without labor contracts or identification documents. They work the same amount of hours and perform the same kind of tasks as regular workers.
- Newly hired factory workers are not provided with a health examination or factory uniforms.
- Most workers are paid a very low piece-rate wage that makes it impossible for them to earn a living wage without excessive overtime hours.
- Workers are not paid a premium for overtime work.
- Workers work on average 95 hours of overtime per month. It is not entirely clear how the factory keeps track of overtime hours a worker performs per month.
- The factory does not provide workers with appropriate safety equipment. Employees were not wearing hard hats, safety glasses, or other kinds of protective garments in the factory workshops.
- Inside the factory workshops it is very hot, causing workers to feel dizzy.

- Factory dormitory rooms are generally of poor quality and contain no air cooling equipment.

Violations found at the Dongguan B&N Industrial Co., Ltd. factory

- Suspected use of child labor and open recruitment of child laborers to work under the same conditions as regular workers.
- Workers are required to provide the factory with their personal medical history, specifically in regards to asthma and heart disease. This is a direct violation of Chinese labor laws and considered a discriminatory recruitment practice.
- There is no health examination or orientation training for newly hired factory workers. Factory workers wear identical uniforms.
- The factory has not fulfilled its contract agreements with workers and has in many cases violated the contract stipulations and Chinese labor contract law.
- Factory managers confiscate workers' ID cards every night and swipe them at 8:00 pm, while workers are performing overtime work shifts. Investigations uncovered that workers were performing an additional 3 to 4 hours of overtime work shifts amounting to a total of around 30 overtime hours per week. These numbers seriously violate the legally mandated maximum overtime hours workers are allowed to perform according to Chinese labor law.
- The factory has opaque wage and bonus systems. Workers are not sure how bonus wages are calculated.
- Individual worker assessment scores and the method for calculating these scores are never publicly released. These factors directly affect a worker's monthly salary.
- The sanitary condition of dormitory rooms is very poor. Investigators recorded finding spider webs and garbage in the dormitory.
- Safety protection equipment is irregularly distributed out to workers. Workers rarely use this equipment in the workshops.
- There are no regular workshop janitors, so manufacturing debris and other trash pile up. The sanitary condition of the bathrooms is poor.
- The factory had installed communication jamming equipment in the workshop to prevent workers from calling their families during working hours. After workers reported this to the local labor bureau, the factory was fined 5,000 RMB (US\$750) to remove the jamming equipment immediately.

NingboLucky Crafts Co., Ltd.

Interview Dates: 7/11/11-7/15/11

Investigation Methods: Entering the factory and posing as workers, conducting interviews

Factory Population: Over 200 people

Number of people interviewed: 38 foam workshop workers, plant manager, plant vice president, workshop leader, 12 trimming workshop workers, 8 packaging workshop workers

Manufactured Products: foam toys, elastic rubber balls, pendants, plastic toys, mobile phone carriers, craft pendant, wind chimes, etc.

Main customers: Target; BULLET LINE, INC; CROWN PRODUCTS INC; CLUB COLORS INC; DIAMOND DIVERSIFIED INTERNATIONAL; PLASTIC PACKAGING CORP; INNOVATION LINE; KELLY INTERNATIONAL; PERFECT PROMOTIONAL PRODUCTS; PRIMARILY CREATIONS, INC; UM IMPORTS INC; TARGET INDUSTRIES INC

Factory Introduction

Ningbo Lucky Crafts Co., Ltd., originally named Ningbo Zhenhai Orient Toys Co., Ltd., was established in 1989 and produces foam toys, elastic rubber balls, pendants, plastic toys, mobile phone carriers, pinch and pull balls, and other products. These products are mainly used as gifts or promotional items and are primarily exported to Europe, the United States, and other countries. The company advertises itself as offering products of consistent quality at a reasonable price that has won the trust of many customers.

Address: Ningbo City, Zhenhai District, Camel Industrial District, 288 Ji Rong St. 315200

Telephone: 86-0574-86575202

Fax: 86-0574-86575222

I. Recruitment and Registration

1. Recruitment

The Lucky Craft factory is currently in their busy production season and, as such, is actively recruiting foam workers, trimming workers, inspection workers, injection workers, and repair and molding workers. There are no gender restrictions for potential foam or injection workers. Only female candidates are allowed to apply for trimming and inspection positions. Repair and molding positions are only open to older male candidates. There are no recruitment restrictions based on place of origin, ethnicity, or specific age demands.

The foam workshop has one 15 year old child laborer named He Ping Ying. She admitted to turning 15 only this year. In an interview with an older factory worker, investigators were told that there were five to six child laborers similar to He Ping Ying at the Lucky Craft factory. Most of these child laborers work in the foam, trimming, and packaging workshops. He Ping Ying was found to have already been working in the foam workshop for more than three months. Her tasks in the workshop include collecting finished products, counting them, and dressing them for sale. There are two shifts that He Ping Ying changes between on the assembly line. The dayshift requires her to work 13 hours, while the nightshift hours. These shifts are switched once a week. Workers are given only 5 hours to rest when switching shifts.

The factory also has twenty to thirty summer student workers, aged 18 and below. These students are third year graduates from middle school, and students preparing to enter their second year of high school. Their parents work at the factory and provided them with introductions in order to gain employment. Students only work a few months before returning to school. They mainly work in the foam, trimming, and packaging workshops. They work 12 hours and perform the same kind of tasks as regular factory workers.

The male workers who work the dayshift in the foam workshop are only 17 years old and responsible for operating machines. The nightshift workers include one 17 year-old girl. They are responsible for collecting the finished products. In the packaging workshop, there is a worker responsible for packing goods into boxes that just turned 17.

Newly employed factory workers are only required to bring their identification cards with them for registration. The factory vice president will inspect the candidate's identification documents and register his or her name and address in a book, after which he or she can begin work in the factory.

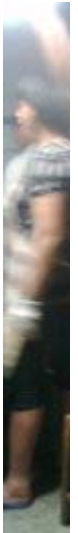
There are no health examinations or orientation training sessions for newly hired factory workers. Workers are not required to deposit any form of monetary deposit at the factory.

Guidelines in the injection workshop state that if a veteran worker introduces a skilled new worker to the factory who works at the factory for at least five months, the factory will reward the veteran worker with 800 RMB (US \$120). If a worker introduces an unskilled worker who works at the factory for at least five months, the factory will award the veteran worker 100 RMB (US \$16). Veteran workers are allowed to introduce three workers at one time. If they all work for a total of five months, the veteran worker can gain multiple awards of 100 RMB (US \$16) or more.

Guidelines in the foam workshop state that any new workers performing injection, molding, or machine operation for at least 30 days straight will be rewarded with a 300 RMB (US \$47) stipend given to their work team. If a veteran molding worker introduces a new worker and that new worker works for at least 30 days, the veteran worker will be rewarded with 150 RMB (US \$23.25) and a three-day stipend of 2.5 RMB (US \$.39) extra per hour. If three veteran workers are each able to recruit a new worker who works for at least 30 days, each veteran worker will be awarded 100 RMB (US \$16).

If three veteran injection workers are each able to recruit one new worker and that worker works for at least 30 days, each veteran worker will be rewarded with 150 RMB (US \$23.25) and a three-day stipend of 2.5 RMB (US \$.39) extra per hour. If three veteran machine operators are each able to recruit a new worker and those new workers each work for at least 30 days, each veteran worker will be rewarded 150 RMB (US \$23.25) and a three-day stipend of 2.5 RMB (US \$.39) extra per hour.

After working for one week, new workers are given two sets of uniforms. Workers are not required to accept a



workers want to keep the uniforms, they must work at least three months to cancel out any uniform deduction have to pay 70 RMB (US \$10.90).

Upon entering the factory, new workers must first go through a probationary period lasting between one week interviewed worker told investigators that the probationary period was just a formality and that it really did n a worker actually went through it.

2. Resignation

It is very easy for workers to gain employment at the factory, but very hard for them to resign. No matter whe resign during their probation period or in the middle of their contracts, they are obligated to give advance not workshop managers. Only if workers are able to obtain the approval and signature of the factory manager on t they able to leave the factory. If workers are still owed pay after resigning, they must wait until the factory is month to claim their back pay. A 17 year-old interviewed female worker stated that she had been working at one year in the packaging department and had previously tried to resign from the factory without success. She resignation request to her workshop manager two months ago, but was not allowed to leave. Her resignation a several months until finally gaining approval in mid-July.

II. Labor Contracts

Workers sign a labor contract with the factory after working for at least one month. There are two copies of t both the factory and worker receiving one copy. Workers are required to bring their identification cards with t labor contract. The factory will make one copy of the worker's identification card for factory records. The fro contract states a worker's name, identification number, and home address. The middle section of the contrac without any worker input or consultation. Workers are only required to sign the very last page of the contract contains information regarding the terms of the labor contract, specific work content, work placement, worki social insurance, labor standards and protections, cancellation and termination of contract, and other stipulat

Workers are given the option of not signing the labor contract or buying social insurance. If they should choose they must sign a separate contract that relinquishes their rights to any protections or compensation offered in contracts and social insurance plans.

When asked about the minimum wage rates for newly hired factory workers, neither factory workers, manager the factory knew any specifics on the matter. When workers were asked what the minimum wage was at the f was none. They went on to say if you were able to work continuously for one month without taking any days o RMB (US \$431) per month. Both the factory manager and factory vice president had different answers regardir minimum wage standards. The factory manager said, "Workers are paid 6.5 RMB (US \$1) per hour at the factor more than 3,000 RMB (US \$469) per month." The vice president of the factory said, "The factory has impleme piece-rate and time-rate wage system. Workers in the workshop earn around 6.5 RMB per hour (US \$1), in add ['subsidies' include work related awards, food subsidy, overtime subsidy, and an end-of-year subsidy], this en RMB per hour."

Workers who sign a labor contract receive an average base rate salary of 1,310 RMB (US \$203) per month, whi minimum wage. The labor contract states that a worker's salary is calculated according to a time based wage fact calculated according to a mixed time-rate and piece-rate wage system. The labor contract states that the based on set work hour standards and regulations, but the contract does not name any specific guidelines and the length of the average workday should be.

There are a number of workers at the factory who have been through multiple probationary periods. One such that he had gone through a probationary period last year at the factory, but had to leave the Lucky Craft facto to personal matters. He returned to work at the factory this year and made an oral agreement with the factor work period. After working for more than a month at the factory, he signed a fixed labor contract with the fac came into effect after his signing. It is implicit in the contract that the previous probationary work period is n working in the factory. There are many workers like this inside the factory.

The factory has not fulfilled its contract agreements with workers and has in many cases violated Chinese con

III. Work Hours

1. Foam Workshop and Mold Washing Workshop Work Hours

There are three assembly lines in the foam workshop. Two of these assembly lines have instituted a two-shift system where workers are required to work 13 hours, while nightshift workers are required to work 11 hours. Workers rotate between day and night shifts once every week and have a 5-hour rest period during this changeover. The mold washing workshop has a two-shift work system.

Foam Workshop and Mold Washing Workshop Work Hours:

Day shift 8:00am-9:00pm
 Night shift 9:00pm-8:00am
 Changeover Period:
 Day shift 1:00pm-9:00pm
 Night shift 9:00pm-8:00am

Assembly machines do not stop operating during designated meal times, so workers must take turns eating lunch. Each worker only has half an hour in which to eat. Generally, workers begin taking turns eating between 12:00pm and 2:00pm. Time set aside for eating is factored into a worker's total working hours. If a worker exceeds the half hour meal time, the worker with whom he or she is switching off with will be reprimanded by the workshop supervisor. Sometimes this becomes abusive. If there are not enough workers on the assembly line, workers will not be able to switch off from machines, so the assembly line will be temporarily shut off to allow the whole workshop time to eat. In this situation, workers are afforded a half an hour to eat, but this meal time is not calculated into their total working hours.

In the foam workshop, if workers need to go to the bathroom or get a drink of water, they must first find a fellow worker to replace them on the assembly line. If a worker exceeds 10 minutes in the bathroom or is frequently absent from the bathroom, his or her workshop supervisor and replacement will get very angry. Next time that person needs to go to the bathroom or get a drink of water, there is a high possibility he or she will not be able to find a worker willing to act as his or her replacement on the assembly line.

2. Injection, Trimming, and Packaging Workshops Work Hours

The injection, trimming, and packaging workshops all operate on a one-shift work system. Workers are required to work for 12 hours per day. Every Wednesday and Sunday, workers are granted a reprieve from working overtime.

Work hours: 7:30am-11:00am, 12:00pm-5:00pm, 5:30pm-9:00pm

Injection, trimming, and packaging workers have the options of not working overtime hours and arranging for a replacement with workshop supervisors. Foam and mold washing workshop workers are required to work everyday until 9:00pm. If a worker has a day with paid leave. If something comes up and they need to take time off, these workers are required to find a replacement to replace them on the assembly line. If their workshop supervisor is not willing to fill in for them, they are not allowed to take the day off. If a worker fails to find a replacement, he or she will be considered absent from work and have to pay a fine. If a worker is absent for 1 hour or less, he or she will be fined 30 RMB (US \$4.65). If a worker is absent for more than 8 hours, he or she will be fined 300 RMB (US \$45.91).

3. Attendance and Rest

Workshop supervisors are put in charge of recording attendance for new workers during their first month of employment. During the second month, workers begin to use an electronic factory card to keep a record of their attendance.

Every workshop has an attendance form that the workshop supervisors are responsible for filling out. If workers do not have electronic attendance cards, they can fill in their attendance directly on the workshop attendance form.

Following the monthly distribution of wages, workers are given the subsequent Sunday off to rest. Workers receive no wages during the month.

4. Production Guidelines

All three assembly lines in the foam workshop have specific production guidelines that workers are required to require every assembly line to manufacture at least 30,000 products per day (unusable products do not count products manufactured after the 30,000 will be calculated according to a piece-rate wage system set at 0.1 RMB goods over 30,000. 15 workers are expected to split these earnings evenly between themselves (one-tenth of RMB). If workers are not able to reach their quota of 30,000 pieces in one day, they will be deducted 0.05 RMB for each piece (one-seventh of one US penny; in other words, the penalty for not making the quota is greater than the reward). A worker on the assembly line feels added pressure to fill the production quotas as a consequence of these stipulations. A worker expends all of his or her energy fulfilling this production quota. Workers stated that if the assembly machines on an assembly line of 15 workers (3 molders, 2 machine operators, 3 injectors, 1 mold operator, 3 product inspectors, and 1 workshop supervisor) can manufacture 35,000 products on average per day.

IV. Salary and Benefits

1. Salary

Workers receive their previous month's pay on the 20th of the following month. There are two methods for depositing it directly onto their bank cards or distributing cash. Workers are free to choose which option they prefer. If workers have their salaries deposited on their bank cards, they are required to personally arrange these transfers. If a worker's salary falls on a holiday, distribution will be delayed. On average, workers earn 2,600 to 2,700 RMB (US \$404 to US \$412) per month.

The salary for workers in every factory workshop, excluding the foam workshop, is calculated according to a time-rate wage system. The salary for workers in the foam workshop is calculated according to a mixed time-rate and piece-rate wage system. The average is 6.5 RMB per hour (US \$1). The factory does not give workers wage slips when distributing workers' salaries. Instead, a collective wage form located in the finance department is used. If workers require specific salary information, they are required to sign this collective wage form confirming they have received their wages. Workers interviewed for this report were able to clearly state how their salaries were calculated. Workers were only able to state that the factory distributes a 60 RMB (US \$9) award for perfect attendance, dayshift workers receive 10 RMB (US \$1.47) overtime stipend and 3 RMB (US \$.47) per day as a food stipend, nightshift workers receive 12 RMB (US \$1.87) stipend and 6 RMB (US \$.93) per day as a food stipend. The factory does not give workers a 600 RMB (US \$93) end-of-year bonus upon completion of one year of work at the factory. The factory manager and vice president both gave unclear and inconsistent information about specific factory salary regulations.

2. Rewards

No matter if workers request personal leave, sick leave, marital leave, or maternity leave, the factory does not provide any paid leave. There is no annual paid leave, maternity leave, or marital leave. The factory does give workers holidays, but without pay.

After workers finish their probationary period, they are offered the opportunity to purchase social insurance to cover possible risks. If workers choose to purchase this insurance plan, the factory will deduct more than 100 RMB (US \$14.7) every month. If workers choose not to purchase this insurance plan, they are required to sign a separate contract that forfeits their right to any social insurance protection. The contract is written solely by the factory with no worker input. Workers are only required to sign the agreement to make it binding.

There are no entertainment or leisure activity facilities located on the factory grounds. One foam workshop worker stated, "We are the same as machines. Whenever the machines are turned off, we also turn off. If the machines are running, we continue working. Our lives revolve around the assembly line."

V. Room and Board Conditions

1. Cafeteria Conditions

The factory has a cafeteria run by a female cook in her 50s or 60s. Workers stated that her stir fried dishes are

and that she does not wear a uniform or face mask when cooking. The stir fry dishes are mostly made up of veal meat. The cook stated, "If workers want to eat good food, they can make it themselves when they get off work to bring their own rice to meals, which they can cook in the factory cafeteria. Everyday, workers must come to the cafeteria for rice for meals. Workers are also required to pay for meals themselves. The cafeteria's vegetable dishes (bean sprouts and cucumber) each cost 1 RMB (US \$.16) per serving, while the meat dishes (fried egg with green onions, shredded peppers, and small carp) cost between 2 and 8 RMB (US \$.31 and \$1.24). The factory pays workers a daily food allowance of \$.47. The meal prices are set by the cafeteria cook.

The cafeteria cook does not cook dinner meals, but instead uses the leftovers from lunch to serve to workers. A number of food trucks from which workers can buy food are set up in a shop outside the factory entrance.

Workers are free to choose not to eat in the factory cafeteria and instead go to eat at a nearby restaurant. The price of a fried vegetable dish at this restaurant is 6 RMB (US \$.93). If workers want to add rice to their meal, it is an additional 1 RMB. The lowest cost for a full meal is 7 RMB (US \$1.10).

2. Living Conditions

The factory does not provide workers with dormitory living facilities. More than 100 of the factory's workers live in the Baiyang district, Baiyang village. The factory has four vans that pick these workers up and take them home every day.

The workers living in Baiyang village all rent rooms. The average monthly rent is more than 100 RMB (US \$16). The rent in the village adjacent to the factory. Workers are required to put down a three-month rent deposit for the first month. The monthly rent is between 200 and 300 RMB (US \$31 and \$47). The average monthly utility fees for a married couple are 30 RMB (US \$3 and \$5).

Many interviewed workers stated that prices for basic goods have risen sharply lately. At the most, they can only buy one or three times a month. The monthly living costs, including rent, for one person is between 800 and 900 RMB (US \$115 and \$135). The monthly living costs, including rent, for a married couple and their child are more than 1000 RMB (US \$150).

VI. Occupational Safety, Labor Protection, and Fire Safety

1. Occupational Safety

All interviewed workers did not know if the factory had an Environmental Health and Safety Commission. How many workshops and gate guard house there were posters regarding environmental health and industry safety control. The posters listed those persons in charge.

New factory workers receive no training regarding environmental health and safety upon entering the factory.

The factory workshops distribute face masks, gloves, aprons, and oxygen masks to workers. Workers in the injection workshop receive four pairs of gloves a month and two new aprons once every two weeks. Face masks and gas masks are provided to workers in the injection and mold washing workshops.

Injection workshop workers only receive face masks and gloves. They receive two pairs of gloves a month. Workshop supervisors when they need to change their face masks. It is very hot inside the injection workshop, workers wearing their face masks.

The machines operating inside the foam workshop are very noisy, so it is usually terribly loud in the foam workshop. The machines in the molding workshop is so loud that many workers suffer from permanent hearing damage. Workers have to shout face to face with each other before they can clearly hear what is being said. The factory does not provide workers with earplugs. Workshop supervisors and group leaders said the factory had no earplugs to give workers.

It is very dirty inside the foam workshop. Oil drums are haphazardly placed around the workshop and workers are not wearing face masks, and similar items on top of the assembly machines. The smell of varnish is very strong in the foam workshop. It is also very hot inside the workshops, so male workers usually strip their clothing to the waist. Workshop machines were inspected. There is a blank maintenance form hanging above the workshop machines.

2. Labor protection

Workers in the foam, mold washing, and injection workshops come in daily contact with water, alcohol, and other foul-smelling chemical liquids and paints.

Workers receive no health examinations upon entering or leaving the factory. The factory takes care to restrict recruits to work in the mold washing workshop to older men.

When workers enter the factory they have no choice over what type of work they will be assigned to perform. A supervisor will often change around workers' assigned tasks. If a worker does not want to perform an assigned task, a supervisor will deliberately make life difficult for him or her so that the worker will no longer want to perform the work at the factory.

The factory workshops have a marked place for medical first aid kits, but the kits are not usually placed there and are not re-stocked, so there are usually only band-aids left inside.

There is a bathroom on every floor of the factory workshops. There are only two toilets inside each bathroom, which do not fulfill the needs of workers.

Workers are responsible for cleaning the workshops and bathrooms after they finish work for the day. Workers are required to put hazardous material into white plastic bags and place them in the trash heap beside the paint storage area. Fire extinguishers or fire hydrants near the trash heap. The trash heap is located very close to the workshops. Near the trash heap are also oil drums and paint drums.

3. Fire Safety

All the workshops have emergency exits, which are clearly marked and not locked. The emergency exits are not cluttered with other debris. There are fire extinguishers located inside the factory workshops. The fire extinguishers are locked and an inspection form is pasted on the front of each case where people have clearly signed their names. The fire extinguishers are inspected once every month. Many interviewed workers said the factory does not organize any fire drills.

VII. Miscellaneous

Interviewed workers said the factory has no labor union or work representatives, as well as no worker phone number. If a worker has a problem, he or she will find their group supervisor, workshop manager, or other factory managers to help solve the problem. Workers take turns every day walking around the workshops examining the working conditions of the workers. Workers need factory management's permission in order to take time off, resign, or take sick leave.

The majority of Lucky Craft factory workers originate from Guizhou, Sichuan, Jiangsu, and Anhui provinces. Their understanding of law is not very high. They have little understanding of the implications of signing labor contracts, getting an occupational disease, etc. The majority of factory workers either do not sign labor contracts, or give up both options voluntarily. Workers stated, "It does not matter if we sign a labor contract because it is of no use anyway. If we choose not to do the work, we can leave. It is too much trouble to sign labor contracts and get insurance." An older worker went on to further say, "Our routine everyday is to eat, work, and sleep. After work we sleep. After waking up, we eat a meal and then begin working again."

Interviews with younger workers who were basically finished with middle school or high school revealed that they are continuing their studies. Most of these young workers had come to Lucky Craft factory through their parents or relatives already working in the factory.

Older factory workers stated that every year factory auditors come to inspect the factory. Usually they will come before the factory will prepare ahead of time for every inspection by notifying factory workers and giving them some training on what to say and how to act in front of the inspectors. Workers are made to quickly clean workshops and arrange items in a neat arrangement. The factory inspectors will select at random a number of workers to interview. They are asked how many hours they work per day, how many days they work per week, whether or not the factory provides a board, whether or not the factory has workers sign labor contracts or buy social insurance, how much money a

average in one month, whether or not the factory provides workers with safety equipment, along with other questions, the factory teaches workers how to respond properly to these questions. If workers answer these questions the way the factory tells them to say, each worker will be rewarded with 30 RMB (US \$5). If workers answer these questions differently than what they were told to say, the factory will deduct money from their salaries. An interviewee who has previously been chosen for interviews with an inspector said, *"We do not dare answer the questions incorrectly for our bosses."*

Hangzhou Ownseas Pen Co., Ltd.

Investigation method: Interviews inside the plant

Total number of people interviewed in one workshop: 3 workers under 16 years old, 2 student workers, and

Interview dates: July, 2011

Factory Introduction:

Hangzhou Ownseas Pen Co., Ltd. was established in 2001. The factory primarily manufactures different types of pens. Manufactured products are exported to Europe, the United States, and other developed countries. These countries account for 80 percent of the factory's total exports. The factory's main sales markets are Hong Kong, Macao, Taiwan, Japan, North America, Western Europe, Eastern Europe, East Asia, Southeast Asia, Middle East, Africa, and Oceania. To increase sales and further develop its brand, Ownseas has recently begun to manufacture other products in addition to pens, including LED lights, light pens, USB pens, and gel ink pens. At the same time, the company has also established a printing workshop to manufacture logo-imprinted products for customers.

Factory Address: Hangzhou, Tonglu County, Fenshui Town, Dongxi Industrial Park, Dongxi Road

Main customers: Target; AAKRON RULE CORP; CISCO SALES CORPORATION; FANDA ENTERPRISE INC; GIFTS PLUS SPECIALTIES; MARKET STREET PRESS INC; PINTS OF LIGHT; TARGET INDUSTRIES INC ; TIMENETGROUP,INC; YAFU

I. Child and Student Laborers

Hangzhou Ownseas factory currently has two types of child and student laborers in one workshop: Summer vacation child laborers and temporary child laborers (temporary workers are not required to go through regular entrance formalities). The factory currently has three student laborers below the age of 16 and one 16 year-old temporary child laborer (these laborers are limited to the printing workshop). Student laborers are provided with no factory documentation such as labor contracts, factory time cards, or other forms of factory identification.



Summer vacation child laborers, temporary child laborers, and student laborers are all required to work more than 8 hours per day at the factory. Salary for these young workers is calculated according to a piece-rate wage system. Salaries vary according to the corresponding price of the products being manufactured. In video 1, child laborers are receiving 0.008 RMB (or 0.0012 US \$) for each printed product they produce. Child laborers can earn between 0.011 RMB and 0.005 RMB (US \$.002) for each printed product they produce. Through worker interviews, it was discovered that the highest price laborers could receive is 0.002 RMB (US \$.002) for sticking logos on pens. One student worker could produce 180 sticker printed pens in one hour. At a rate of \$.002 per pen, this student worker was collecting 2.7 RMB (US \$0.42) per hour. Student workers often complete their work at a piece-rate wage rate, but have no ability to change the situation.

II. Recruitment and Resignation

A. Recruitment

The factory seeks to recruit general assembly workers, primarily women, as well as printing staff to work in the printing workshop. As of July 18th, the factory has suspended recruitment in the printing workshop because it has been contracted out

When applying for work, workers are required to fill out a recruitment form and give the factory a copy of the documents. Because student workers are under 16 years old, the factory refuses to issue them any form of fact or evidence of employment within the factory. According to our investigations, full-time employees are issued keep track of their working hours.

Interviewed workers stated that when they first entered the factory they were not issued work uniforms or given Full-time workers, not including management personnel, are for the most part all in their 30s. There are a few 40s.

B. Resignation

According to information acquired through worker interviews, workers are not subject to particularly rigid rules besides giving ample advance notice of their resignation and gaining factory approval. Workers can still obtain are owed after resignation. Workers who leave the factory without going through normal resignation formalities are owed, but they must wait until the next salary distribution date.

III. Labor Contracts

The majority of interviewed workers could not say whether or not the factory had a practice of signing labor contracts. Only one interviewed worker was able to confirm that workers signed labor contracts with the factory.

IV. Work Hours

The factory currently implements the following work shifts:

Morning 7:30am-11:30am

Afternoon 1:00 pm-5:30pm

Night 6:30pm-9:00pm

Workers are expected to work six days a week, for 11 hours per day. Because of the factory working environment more money, many workers also choose to work overtime hours. Some workers even choose to take time out of meals to work.

Many interviewed workers did not understand how their working hours were recorded and were skeptical of factory As a case in point, a number of interviewed workers said that when it was time for lunch, they only observed ; bothering to punch their timecards, while the rest simply ran to the cafeteria. That managers seem to believe meaningless gesture only solidifies workers' skepticism of the factory's recording methods.

V. Salary and Benefits

The average salary for a factory worker at Ownseas is around 2,220 RMB (US \$344) per month. All factory work management staff, are paid according to a piece-rate wage system. The price of each product manufactured is greatly. Workers earn 0.008 RMB (one-tenth of one US penny) for each labeled pen produced, 0.005 RMB (US \$ single-print product produced, 0.008 RMB (US \$.001) for each double-print product produced, and 0.011 RMB (triple-print product produced. A worker manufacturing triple-print products can produce between 6,000 and 7 11-hour workday. If that same worker is manufacturing single-print products, he or she can produce around 20 an 11-hour workday. When asked about overtime wages, workers were mostly at a loss for words. One worker overtime wages, "We are paid according to a piece-rate wage system. We do not receive any overtime wages.

An interviewed worker stated that only long-term employees at the factory are eligible for social insurance. When initiative to plead their case directly with the factory in hopes of purchasing social insurance, but it is not guaranteed requests will be met. All other interviewed workers simply stated that they had not purchased social insurance; specific need to purchase insurance, they can inquire with the factory's personnel department.

Every year the factory organizes a two- to three-day trip for workers who have been at the factory for more than

VI. Occupational Safety

The factory has posted specific regulations in the printing workshop requiring all machine operators to wear protective gear while working, but these regulations are barely enforced. When interviews were conducted in the printing workshop, workers were found to be wearing face masks or other kinds of protective garments.

According to the printing press records viewed by investigators, there have been no regular inspections of the printing press in the month of June.

The heat inside the printing workshop often causes workers to feel dizzy, but because the workshop is large, there is good ventilation, so there have been no reported incidences of workers fainting. Picture D posted above is evidence of the high temperature inside the factory. The factory has installed portable fans, ceiling fans, and air conditioners to deal with the problem. However, it was discovered that the air conditioners are for the sole use of office staff and not for the printing assembly floor.

In order to further solve the temperature problem inside the factory workshop, a water sprinkler cooling system was installed. Interviewed workers leaving the factory stated that the equipment was already partially installed and it still needs to be determined whether or not it will be effective in lowering the air temperature inside the printing workshop.

VII. Room and Board Conditions

The factory has its own four-story staff dormitory. There is no cooling equipment of any kind inside the dormitory. Each dormitory room found inside workers' dormitory rooms has been purchased by the workers themselves. Each dormitory room has its own bathroom. Workers are not required to pay any dormitory rental fees, but they must pay the water and electricity bills.

The factory provides workers with kitchens in which they can cook their own meals. If workers do not want to cook, they also have the option of purchasing set meals. Each set meal costs 4 RMB (US \$.62). Workers are required to bring their own dishes and bring it to the factory for the cafeteria staff to cook if they want to eat rice during their meals.

VIII. Miscellaneous

The majority of workers working in the factory are in their 30s and married. An interviewed student worker stated that he both previously worked in the factory. He said his mother was able to earn more than 2000 RMB (US \$310) from the factory, while his father had recently left the factory to do some construction work.

Dongguan Fuxiang Garment (B&N Industrial) Co., Ltd. Investigat

Factory Profile:

Dongguan Fuxiang Garment (B&N Industrial) Co., Ltd., a Taiwanese investment company manufacturing children's clothing, established at Ji Street, Chashan Town in 1994. In 2000, the factory relocated to its current location in Chashan Town. The factory complex covers an area of more than 45,000 square meters and currently employs around 1,400 workers. Fuxiang is a known supplier of clothing to Target and unconfirmed supplier to American Eagle, Carter's, Amy (Carter's), and others.

I. Recruitment

The factory is currently hiring a large number of general male and female workers. Female workers are being hired for cutting, inner lining, sample testing, training operator, and special operator positions, while both female and male workers are recruited to fill cloth spreading, heat interlining, and button-sewing positions. The factory is hiring vocational student interns from technical schools. While applicants are required to be 16 years or older, investigators suspect the factory currently employs child laborers as young as 15.

Workers are required to provide the factory with background information, a guarantee letter, and sign an intention to begin work at the factory. In the guarantee letter, workers are required to disclose their medical history, and provide a list of emergency contacts.

information regarding hepatitis B, diabetes, and heart disease. The three-day internship period is a chance for the factory to assess workers' skills and abilities. If workers are found to be unqualified for factory work or have provided the factory with fabricated identification documents and background information, they will be asked to leave. The factory provides room and board for internship candidates and an hourly wage of 6.32 RMB (US \$.98). If workers are asked to leave, they are still allowed to obtain their due wages from the internship.

Workers assigned the task of training operator are required to fill out a training application form, which states that they agree to return 2 months' worth of room and board subsidies, as well as two months' training fees equaling 200 RMB (US \$31), if they should leave before the term of their contract is completed or they are fired for disciplinary violations.

The factory does not provide workers with any orientation training or factory uniforms. Workers are required to provide factory officials with three copies of their identification card and three one-inch-square photos.



II. Labor Contract

Workers sign a three-year labor contract stipulating an additional three-month probationary period with the factory. Both the factory and worker keep a copy of the contract for their own records. Despite the contract's clause that workers must give three days' notice before resigning during the probationary period, workers are in fact required to give one day's notice. After the probation period, workers are required to provide the factory with one month's advance notice before resigning, as required by Chinese labor law.

The factory has purchased occupational insurance and in-hospital health insurance plans that workers can buy for a small fee. They would like to purchase retirement insurance. If they choose not to, workers are required to sign a contract waiving their purchasing rights.

III. Working Hours

Monday through Friday, workers are supposed to work shifts from 7:50 am to 11:50 am, 1:20 pm to 5:20 pm, and on Saturdays, workers supposedly work from 7:50 am to 11:50 am. These shift schedules are arranged according to factory stipulations and factory regulations. These shift times are the hours recorded on workers' factory ID cards. However, supervisors collect workers' ID cards every night and swipe them at 8:00 pm, while workers are still in the microwave area. Investigations uncovered that workers were performing an additional 3 to 4 hours of work every day, and, during peak season, an additional 5 to 6 hours of work. These numbers seriously violate the legally stipulated amount of overtime allowed to perform according to Chinese labor law.

In the workers' dormitory building, there is a poster of the Employee Code, which clearly states in Article 2.6 that "the company carries out a maximum of 36 hours of overtime work in accordance with law." It goes on to say that efficiency is an important index of employee wages in the company. If an assembly line cannot meet its set production quota, workers on that line are required to work unpaid overtime until they are able to meet their quota. This regulation directly violates Chinese labor law regarding mandatory overtime.

According to interviews with factory workers, they are often required to work on Saturdays. This work is not considered regular working hours and, therefore, workers do not need to swipe their factory ID cards. Instead, workers are paid 1.5 times that of their regular wage. The factory categorizes this type of work as "contract work." Contract work is for short-term work projects done under contract. This is not entirely identical to the contractual relationship that exists between the factory and workers and, as such, allows the factory to get around Chinese labor laws that call for employers to provide a day of rest every week and to pay two times the regular wage if workers work on Saturday or Sunday.

IV. Salary and Benefits

Workers' salaries and pay slips are distributed on the 30th of every month. A general worker's salary is composed of overtime wages, performance awards, position subsidies, full attendance awards and meal subsidies, as well as violations, cafeteria meal costs, and social insurance fees.

Labor bonuses and factory violation fines are determined by a worker's individual behavior in their dormitory. is 30 RMB (US \$4.66) per month. Interviewed workers stated they were not sure exactly how performance awards are determined because factory accountants handled them and kept their methods secret.

The factory uses two wage systems to determine workers' monthly salaries: a piece-rate wage system and a time-rate wage system. The piece-rate wage system is calculated according to a worker's daily manufacturing output and the price level of the product. Each month piece-rate workers are required to provide the factory with a record of their daily production output to calculate their total salary. The time-rate wage system calculates a worker's salary according to a fixed hourly rate for different factory positions. The factory also pays workers based on a mixed piece-rate and time-rate wage system.

The factory additionally has a monthly assessment system whereby workers' overall performance is judged according to their initiative, ability to complete tasks, sense of responsibility, monthly production output, and overall assessment is conducted by group supervisors and superior factory managers. However, the final assessment scores and the workers calculating the score are never publicly released, even though it directly affects a worker's monthly salary.

The factory provides workers with paid statutory holidays and paid annual leave, but no paid sick leave. According to the Labor Code, workers with a one-year labor contract cannot take more than 15 days of vacation per year. The factory requires workers to take more than 15 days to sign an additional three-year labor contract.

There is a medical clinic on the factory grounds, as well as public drinking fountains. The factory does not have adequate facilities to accommodate all of its workers. There is only one basketball court and one public television, which is on from 9:00 pm, for workers to enjoy.

V. Room and Board Conditions

Dormitory rooms house between eight and ten people. There is a deduction of 50 RMB (US \$7.75) per month for housing. Each room is equipped with an electric fan, lockers, and a bathroom. The sanitary condition of these dormitories is poor. Investigators recorded finding spider webs and general filth throughout the dormitory. Hot water shower facilities are available in the dormitory. They are only available for public use from 5:30 pm to 7:00 pm and 10:00 pm to 12:00 am. Because of the hot water, water collects in the hallway, causing some workers to slip and injure themselves.

Workers have the choice of eating at the cafeteria or getting their meals from other sources. If workers choose to eat at the cafeteria, a 120 RMB to 150 RMB (US \$19 to \$23.25) deduction is taken out of their monthly wages. 120 RMB affords workers one meat dish and one vegetable dish per day, while 150 RMB (US \$23.25) allows workers two meat dishes and one vegetable dish per day. Workers can also live and eat outside of the factory grounds.

VI. Working Conditions and Safety

The workshops have clearly marked emergency exits, first-aid kits, and medical staff ready to respond to an emergency. However, regular workshop janitors are not present, so manufacturing debris and other trash pile up. The workshop bathroom conditions are poor because they are also not regularly cleaned.

Safety equipment is irregularly distributed out to workers. Even when safety equipment is available, workers do not use it in their manufacturing workshops. Due to the large number of experienced factory workers currently employed at the factory, there have been no any work-related accidents and injuries.

VII. Disciplinary Regulations

The factory dormitory management has implemented a reward-and-punishment system to regulate workers' behavior. Security guards inspect workers' dormitory rooms. If the electric fan is kept on or they find workers using elec

violates factory regulations, workers will be fined 30 RMB (US \$4.66). On the other hand, if security officials find workers and in good order, workers will be rewarded with extra pay.

VIII. Miscellaneous

The factory has instituted a complaint system through which workers are free to voice any concerns regarding disciplinary fines, etc. with factory management and workshop supervisors. If workers are not satisfied with the complaint, they may appeal level by level up to the general manager, where a final decision will be rendered.

At one time, the factory installed communication-jamming equipment in the workshop to prevent workers from using mobile phones during working hours. After workers reported this to the local labor bureau, the factory was fined 5,000 RMB (US \$770) and the jamming equipment immediately.

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