

Dongguan Elegant Top Shoes Co., Ltd

By Li Qiang, China Labor Watch
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Gate of the Changdeng Shoe Factory in Dongguan, Guangdong Province. Photo: China Labor Watch.

The report streams from two sources. The first source is the interviews and investigations conducted by Li Qiang from February 1999 to February 2000 during the period of his teaching of labor laws, interviewing and networking of labor activists.

The second source of is the latest materials provided by CLW activists in this factory received by request of Li Qiang's in the United States. These real and updated materials, including a [copy of eight months' pay slips](#), several photos, a [factory regulation brochure](#), and answers to specific questions were received by June 15th, 2001. [Learn what you can do to protest these conditions](#).

Profile

Name: Dongguan Elegant Top Shoes Co., Ltd
(former Changda Shoes Manufacturing Company)

Location:

Da Tang Dou, Ju Shan Village Tel: 6841414x228

Fu Cheng District

Dongguan City, Guangdong Province

Phone: 0769-220490

Employees: 5,500 to 6,000.

Ratio of male to female workers: 1:9.

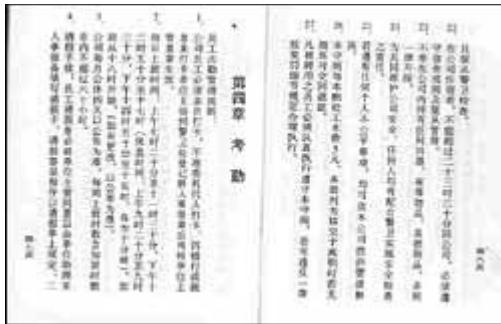
Production: This factory is a contractor with Reebok, Clarks, and Fila.

1. The factory has female workers under 16.

According to Article 15 of Chinese Labor Law, work units are prohibited from employing workers less than 16 years old. But the fact is that some female workers younger than 16 years old are working in Dongguan Elegant Top Shoes Co. Some workers would use others' IDs to join the factory. If the factory administration finds out they are in fact under 18, they will be fired without pay. A female worker name Xu Chunxia was 17 when she

attended the factory and she used another girl, Dai Guoqing's ID. Miss Xu's real age was discovered after she committed suicide.

2. The discrimination of male workers. The factory recruits female workers age 18-25 and do not recruit male workers. The ratio of male to female workers is 1:9. Because of this, as well as the intense work load, fifty percent of mature female workers do not have boy friends, which produces major mental and societal pressures on them. [2]



Pages from the 49-page manual for workers at the Elegant Top Shoe Factory. Photo: China Labor Watch.

Most workers are female within the ages of 18 to 25. Most of them come from provinces of Sichuan, Hunan, and Jiangxi, which are considered as poor areas. Most of these female workers have education levels of junior high or just primary school.

Usually, the workers that are older than 25 can not carry the intensive working burden of the factory. The factory does not recruit male workers even though they would be better suited to the job. This is because male workers are more active. In the nearby factories, it is the male workers that organize strikes

and demonstrations.

Because there are many more female workers than male workers, 80% of female workers that exceed marriage ages do not have opportunity for boy friends, which is both annoying and stressful.

Traditionally, Chinese village girls get married no later than 21. In this factory, more than 1000 female workers older than 25 are not married and are worried about their marriage status and future lives.

The pressures of this work environment create situation where some of them get various kinds of mental disturbances, adopt alcohol problems and even commit suicide.

3. Work hours. Chinese labor laws sets the standard of 40 hours per week of usual work hours. But the factory administration forces the workers to work more than 60 hours per week.

Work hours [2]

Referring to the Factory regulations Section 4.2 and 4.3, The typical daily work hours are as follows:

7:20 - 11:30 Morning work hours

9:20 - 9:30 10 minutes break

11:30 - 12:50 Lunch time noon break

12:50 -17:00 Afternoon work hours, 10 minutes break in between.

17:00 - 18:00 Supper time

18:00 - 21:00 Extended work hours

Rest hours [2]

Referring to the Factory regulations Section 4.4, under usual conditions, the workers stays in the factory for 13.2 hours/day including 11 working hours. The workers only do not work over time Wednesday and Saturday evenings. The workers work six days a week and stay in the factory for more than 71.2 hours in that week in which more than 60 hours of which is working. According to Chinese Lab Law the normal working hours are 40 hours/week with 4 hours of overtime allowed. Extended work hours not exceeding 36 hours per month are allowed only if an extension is called for due to extraordinary circumstances. In reality, the workers have to work overtime for 80 hours per month, 12 months a year. So the factory always has special reasons, all the time.

Referring to Article 36 of Chinese Labor Law, the State shall practice a working hour system under which laborers shall work for no more than eight hours a day and no more than 44 hours a week (including overtime) on the average. However, the workers in this factory are forced to work 60 hours on the average, which is in violation of Chinese Labor Law.

4. Wages are calculated by day. The factory administration does not obey the minimum wage standard in Dongguan. The daily pay for new workers is as low as 16 Yuan (or 1.95 US dollar). For an 8 hour day this is only 2 Yuan/hour or 24.4 US cents/hour.

The basic wage of a new worker is 16 Yuan or 1.95 US dollar.[1] The average hourly wage is 18 Yuan or 27.4 US cents, and the minimum hourly pay rate is 31.2 US cents.[2] The factory does not pay even the minimum wages to its workers. The minimum monthly pay is 450 Yuan but the factory just gives the workers 400 Yuan.

The factory is using the daily pay rate. The average worker in the shape formation section of production gets 18 Yuan per day. If he or she works 22 days a month, he or she can earn 396 Yuan. The skilled workers', such as in sewing sections, daily pay rate is 20 or 22 Yuan according to his or her skills. The wages will be adjusted every six month and mostly decided by the team leaders. Some workers after 6 months of work get a raise of 0.25 to 0.50 Yuan.

A typical wage slip of a Mr. Zhang is attached in this report. For the month in which Mr. Zhang got his largest wages, his basic daily wage is 18.5 Yuan and he worked 23 days in this month. His gross monthly pay was $18.5 \times 23 = 425.5$ Yuan.

The extended work hours are not to exceed 36 hours, which include the extended work hours on Mondays, Tuesdays, Thursdays and Fridays. According to Chinese Labor law, the overtime should earn 1.5 times that of the normal work hours. The 36 extended work hours should be equal to $36 \times 1.5 = 54$ normal work hours, i.e., the workers should earn 54 hours of wages extra if they work for 35 hours.

Mr. Zhang worked for 50 hours during the five Saturdays in this month. According to the Chinese Labor Laws, the pay rate for weekend extended hours should double the normal rate. In these Saturdays, Mr. Zhang earned 100 hours normal work wages.

The sum of the 54 hours from weekday extension and 100 hours from weekend extension work is 154 hours, which correspond to 19.3 working days according to 8 work hours per day. The total overtime work pay is daily rate of $18.5 \times 19.3 = 357.1$ Yuan.

The gross income for Mr. Zhang in this month is the normal work pay of 425.5 Yuan plus the extension work pay of 357.1 Yuan, or 782.6 Yuan (\$95.4). [2]

5. About 9.3 dollar will be deducted from the monthly wage as miscellaneous fees.[2]

The meal and dormitory fees of 60 Yuan will be deducted from every worker's income, as well as 15 Yuan welfare fee and 2 Yuan medical fund. The net income is obtained after these deductions.

For the Mr. Zhang in the shape formation section, his gross income is 782.6 Yuan but the net income is $782.6 - 60 - 15 - 2 = 705.6$ Yuan. \$86

His net income in the six months is $705.6 + 460.6 + 583.7 + 687.1 + 612.1 + 659.2 = 3708.3$ Yuan, and on average his monthly income is 618.05 Yuan, equivalent to 75.37 US dollars.

A worker's payroll stubs from October 2000 to June 2001 were received and only six months' stubs are used here.

The worker with one year's experience can earn \$75.37 US per month, for two years experience \$80.6 US per month. In general, the group leaders earn \$130 to \$150 US per month as their daily wage are 31 Yuan or \$3.70 US. The team leaders' daily wage is 42 Yuan or \$5.10 US and they earn \$200 to \$230 US monthly. The department leaders' monthly income ranges from \$410 to \$500 US. [2]

The working condition in this factory are far worse than the national-owned factories in Dongguan. In a national-owned factory, a worker works 176 hours per month with minimum monthly wages of 750 Yuan, along with medical insurance, welfare and employment insurance and pension plan. The workers in Elegant Top Shoes Co., Ltd have to work 270 hours with an average monthly wage of 610 Yuan without any welfare. The real income level is only half that of the national-owned factories. The wages of Elegant Top Shoes Co., Ltd workers are 50% less than the workers in Nestle Coffee Factory in Dongguan, which located 800 meters away. [1]

6. Social insurance and welfares. The factory administration does not provide a pension plan, employment insurance, and medical insurance.

According to Chinese Labor Law's Article 70, the State shall develop social insurance undertakings, establish a social insurance system, and set up social insurance funds so that laborers may receive assistance and compensations under such circumstances as old age,

illness, work-related injury, unemployment and child-bearing. And Article 72 states that the sources of social insurance funds shall be determined according to the categories of insurance, and the practice of unified accumulation of insurance funds shall be introduced. The employer and individual laborers shall participate in social insurance in accordance with law and pay social insurance costs.

A patient with a disease that can not be cured in the factory medical office can seek medical services outside the factory, but with a limited medical expense budget. The factory does not establish any medical, employment insurance and pension plans. The workers do not have anything after they leave the factory.

According to Reebok's human rights regulations, workers wages should cover the basic living expenses. The fact is that if a worker uses a portion of his or her wage to buy social insurance, he or she can not cover these basic living expenses. Thus, according to China's labor laws, the factory does not pay the worker's basic live expenses.

7. There are intensive working pressures on the production workers. The factory production is huge everyday. For a pair Reebok, Clarks or Fila brand shoes, with three major processes, cutting, sewing, and formation, only 70 US cents are paid to the workers. [1][2]

There are intensive working pressures on the workers everyday. In the formation group there are 97 workers and that manufacture 2200 to 2600 pairs of shoes a day. The monthly production is 50 to 60 thousand pairs of shoes. The labor cost for a single pair of shoes is only 1.10 Yuan.

In the sewing group, 50 people work on 650 pairs of shoes everyday. The labor cost is 2.50 Yuan.

In cutting group, the cost of labor is 1.40 Yuan.

In total, for the production of a pair of shoes with the brands of Reebok, or Fila, the workers from the three processes get paid 5 Yuan, which is equivalent to 61 US cents.

Clarks' workers from the three processes get paid for 70 US cents.

Let's see the typical procedure of production of a pair of shoes. In the formation shop 100 workers are divided in to three team:

The front team: about twenty people working on the toe part. They are gluing the yellow glue and white glue, form the middle layer of bottom, form the shoe surface, pull the front and amend the back.

Middle team: about forty people working on leather processing, edge treatment, cleaning the leather with chemicals, twice of gluing, and pressing the bottom.

Supplemental team: twenty to thirty people working on the final treatment and adjustment of the shoes.

8. The tough dormitory condition. Very small rooms hold eight workers and there is no toilet or shower in the room.[1][2]



Dormitory building for workers in the Elegant Top Shoe Factory. Note the high residential density as clothes occupy most of the back balcony. Photo: China Labor Watch.

The accommodation information is also referred to Chapter 7 and Chapter 8 of the factory regulations.

There are 12 dormitory buildings in this factory, including one building for married couple, two buildings for managers, and 9 buildings for production workers. One building is for male workers and the other eight are for female workers.

In the workers building, some rooms are less than 20 square meters and will accommodate 8 workers. There is no toilet or shower in the room. The shower and the toilet are

located on either side of the hallway in the dormitory buildings.

There are 15 rooms to a floor, and 120 employees living on each floor. They share the 10 showers and the 10 toilets. There is still some vacancy in the building for male workers as there are less male workers. When human rights or labor organizations come visiting the dormitory, the factory administration will show them the male workers' dormitory. In some rooms there are only four male workers living in a single room.[1]

9. The factory ID costs 50 Yuan, which acts as a deposit. The workers have to work more than 60 days to get the last month's wages.

Referring to the Elegant Top Shoes Co., Ltd regulations Chapter 4, section 4 and section 25, the workers have to submit 50 Yuan factory ID fee and 5 Yuan brochure deposit. The factory holds one month wage of the workers and only after 60 days can the workers get their previous month's wages.[2]

10. Only short contract are signed between the factory and the workers.

Only one-year contracts are signed by the factory and its workers. The contract can be renewed but there is no guarantee the workers can keep their jobs.[2]

11. There are lots of unacceptable hidden fines that workers are subject to. If the workers violate the factory regulations, they are fined or fired. (Please see attached Factory Regulations)[1][2]

The fines are referenced in the factory Regulations Section 3.27, 4.11, and 6.35, etc. The penalty fine regulations are as follows before January 1999: the fine for a major mistake is 90 Yuan; the fine for a minor mistake is 30 Yuan; the fine for a warning, 10 Yuan.

For example, a worker coming late will be fined 10 Yuan, and 10 Yuan for the untidy room, or 10 Yuan for not having a haircut. [1]

In January 1999, new regulations were established which can be found in the attachment. No evident fines are regulated but these have been changed into deduction from workers' basic wages, which is very difficult for the workers.

For example, if a worker does not clean his or her room, no fine will be issued, but he or she will get a warning for the first time with deduction of 20 points. The deduction of 100 points results in a permanent deduction of one Yuan in his or her basic daily wage. Let's do some calculations here. For a worker that started at a daily wage of 18 Yuan would get 17 Yuan as daily wage when the penalty is applied. If this worker has 40 working days in one month including extended working hours, he or she will lose 40 Yuan. In general, if one gets deduction in his or her wages, he or she will not get an increase in wages in the next six months. With the monthly deduction of 40 Yuan and no increase in six months, the worker will lose 240 Yuan in the six months, in contrast to the former system that would have fined him once for 90 Yuan. [2]

12. The workers are under intensive work and mental pressure. Some female workers committed suicide by jumping from buildings. [1]

During July 1999 to November 1999, four female workers attempted suicide. Two of them died. One of them was seriously injured. The other one jumped from the fourth floor and was lightly injured. The factory administration said that she was crazy and kicked her out the factory. Only a few days after October 25, 1999, when an official from Reebok visited this factory, one of the factory's workers committed suicide.

One female worker from Shanxi Province named Xu Chunxia, used the name Dai Guoqing to join the factory, as she was just 16 and the factory does not recruit workers younger than 18. She jumped from the tower during working hours. According to her partners, the work she had done was shown to have defects. She was scolded by the group leader and then the team leader. She was so embarrassed that she killed herself during the work hours. The other three female workers committed suicide in their dormitories.

In this year, a psychological consultant Ms. Shi Mengjuan was invited to factory to hold two seminars about mental health to the workers.

13. Most workers do not understand what the Union is.[2]

The telephone number of Worker's Union in Dongguan is listed on the bulletin board, but the most workers do not know what the Union is.

14. Some female workers are under sexual harassment and they have nowhere to complain.[1][2]

An assistant in the shaping section named Jiang Yuehong was sexually harassed by a manager from Taiwan named Zeng Dewen. Miss Jiang was threatened and suffered the harassment for as long as six months. When she could no longer tolerate it she complained to the factory administration, with the intention of resigning. The factory manager investigated the case and finally Zeng was fired[1]. More female workers are suffering but they dare not to complain in fear of losing their jobs.[2]

15. Only a few workers know the complaint conduits.[1][2]

The complaint conduits are referenced in the factory Regulations Section 10.1 and 10.2. Nominally there are three complaint conduits in the factory. The workers can complain to the unit supervisor, write a letter to the company through the company's mailbox, or to the clients via the human rights mailbox. This is regulated in Section 10.2 in the factory regulations.

A psychology consultants office is available in the factory. The workers can go to the consultant and a coordinator from Taiwan would investigate the workers' complaint.[2]

But more workers choose not to complain. Because of the work intensity, sometimes the workers can not meet the quality or quantity requirement. Under these situations, they will be abused by the supervisors. If the workers complain about this, the coordinator will come to the manager and the supervisor to verify the workers' complaint. If the situation is deemed true, though the factory administration will penalize the supervisor, the complaining workers are given a tough time from the penalized supervisor. He or she will be forced to leave the factory. This means that it is not advisable for workers to complain.

After being reprimanded, the supervisors would not abuse the worker in a way that is punishable but scold them and pressure them in a way that makes life extremely difficult. In this case, it becomes difficult to issue a formal complain. [1]

16. Reebok human rights office and mailbox are not effective in the factory. The workers dare not to complain as they are afraid of retaliation from the factory administration.

Reebok Company has a human rights office in the factory to observe that if the Reebok human rights regulations are obeyed in the factory. The office manager is Miss Zhou, who graduated from the Department of Social Science of some university in Beijing. Reebok has a mail box for complain and the workers can complain. The human rights officer of Elegant Top Shoes Co., Ltd, Miss Zhou knows the regulations fairly well. The workers are saying that the establishment of the regulations is a part of the human rights operations in Elegant Top Shoes Co., Ltd.[1]

17. In some special process such as cleaning shoe tops, toxic glue containing toluene is used by the workers without effective protection facilities.

From 1999, Elegant Top Shoes Co., Ltd shoe factory started to promote Libao's HS glue, which doesn't contain Toluene. But in some sections, such as the final shape formation

section, HP2 glue, which contains Toluene, is still being used. The usage of HP2 glue is prohibited by the factory but some team leaders will use them as the HS glue is not effective in cleaning the surface of the shoes [1]. If the shoes surface is not clean, the quality standard will not be achieved and the team leaders will be scolded and penalized by the group leaders. As a result, even though the team leaders know toluene poisonous, they are forced to use them. The fact is that the factory administration knows this case very well [2]. Toluene is being used until August 2001 in a small range. [3]

18. Inspection from labor organizations and Reebok clients. Before visits by human rights or labor organizations and the media, the factory administration will inform the workers to "get prepared".

Sometimes the organizations and Reebok clients come visit the factory. But the factory administration will keep the workers informed before their coming. They threaten the workers not to speak about the truth, [2] such as the real overtime work hours, and work intensity. Sometimes the workers themselves would hide the truth, such as the process which using toluene. Even when Miss Zhou comes to the shop the workers will hide the toluene because they are afraid of punishment from the factory. [1]

19. During the most important traditional holidays, only four-day holidays are given. The workers do not have enough time to go back home. Some workers have not been home for six years.[2]

The workers came from the provinces of Sichuan, Hunan, Jiangxi, and Henan [1] [2]. These places are as far as 2000 kilometers away. Some workers have not gone home for more than five years. The labor laws established 30 days of holiday for the couples that are not living in the same city. But the workers of Elegant Top Shoes Co., Ltd are only given four days. [2]

Notes:

[1] Investigation conducted by Li Qiang from February 1999 to February 2000

[2] The activists in this factory in corresponding to Li Qiang's request from US. The answers to the questions were received by June 15th, 2001.

[3] The activists in this factory in corresponding to Li Qiang's request from US. The answer to the questions were received by Sept 10th, 2001.