

**Wal-Mart's Sweatshop Monitoring Fails to Catch Violations:
The Story of Toys Made in China for Wal-Mart**



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Students and Scholars against Corporate Misbehavior

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List of 5 Toy Factories: Names and Addresses

Factory	Location	Workforce*
Tai Hsing	Longgang district, Shenzhen	5,000-6,000
Xin Tai Xing	Baoan district, Shenzhen	1,000
Zai Xing	Baoan district, Shenzhen	1,000
Tai Qiang	Baoan district, Shenzhen	1,500
Kam Long www.kamlong.com	Xiangzhou district, Zhuhai	1,000

* The approximate size of the workforce as of the field research, June 2005 – December 2006.

1. Tai Hsing Toys (Shenzhen) Co., Ltd.

Address: Danzhutou Village, Bu Ji Town, Longgang District, Shenzhen City, Guangdong Province, China

泰興(玩具)深圳有限公司

中國廣東省深圳市龍崗區布吉鎮丹竹頭村

Tel: 86 755 870 8835

Fax: 86 755 870 8744

2. Xin Tai Xing Toys (Shenzhen) Co., Ltd.

Address: Gushu Road, Xin An Town, Baoan District, Shenzhen City, Guangdong Province, China

新台興塑膠電子製品(深圳)有限公司

中國廣東省深圳市寶安區新安鎮固戍路

Tel: 86 755 2749 7611

Fax: 86 755 2749 7614

3. Zai Xing Toys (Shenzhen) Co., Ltd.

Address: Songbo Industrial Park, Song Gang Town, Baoan District, Shenzhen City, Guangdong Province, China

再興電子(深圳)有限公司

中國廣東省深圳市寶安區松崗鎮洋涌河大道中段松柏工業園

Tel: 86 755 2749 7600

4. Tai Qiang Products

Address: Sanwei Village, Xi Xiang Town, Baoan District, Shenzhen City, Guangdong Province, China

泰強製品廠

中國廣東省深圳市寶安區西鄉鎮三圍村

Tel: 86 755 2747 6228

Fax: 86 755 2747 6954

5. Kam Long Industrial Co., Ltd.

Address: Hongwan Industrial Park, Xiang Zhou District, Zhuhai City, Guangdong Province, China

鑑隆實業有限公司

中國廣東省珠海市香洲區洪灣工業區

Tel: 86 756 881 7788

Fax: 86 756 881 7688

Website: www.kamlong.com

Email: info@kamlong.com

Executive Summary

Field research by Students and Scholars against Corporate Misbehavior (SACOM) shows that Wal-Mart – China’s eighth largest trading partner – consistently fails to catch and stop serious labor violations in its Chinese supplier factories, despite recent reforms to its monitoring system. Indeed, the working conditions in Wal-Mart’s Chinese supplier factories are increasingly falling below the International Labor Organization’s defined minimum standard for socially acceptable work.

Interviews conducted between June 2005 and December 2006 with eighty-two workers at five Wal-Mart toy supplier factories in the industrial zones of Shenzhen and Zhuhai in Guangdong province uncovered widespread illegal and unethical labor practices that previously eluded Wal-Mart auditors.

During off-site interviews, workers at the five Wal-Mart toy factories gave SACOM researchers detailed accounts concerning wage and hour violations, unsafe working conditions, unsanitary worker housing, harsh punishments and heavy fines, deprivation of labor contract protection, non-provision of social security, illegal firings and suppression by factory management. For example:

- Excessive and Forced Overtime – All five factories impose a “6-day workweek” and a minimal 11-hour workday on production workers – making for a 66 to 78 hour workweek. The most serious case among the five factories occurred at Zhuhai-based Kam Long. Kam Long workers report that on average they work as many as 28 days per month and up to 30 days when filling rush orders. In one month their working hours reached a record high of 336 hours. They also complain that they are not allowed to refuse overtime – even when they have a bad cold or headache. According to Article 3 of State Council Rules on Working Hours, working hours should not exceed 8 hours a day and 40 hours a week – Wal-Mart’s own Standard for Suppliers calls for a 60 hour workweek.
- Wage Violations – All five factories fail to provide workers with legally mandated minimum wage. In general workers earn only between RMB 600 and 800 per month, despite excessive overtime work throughout the entire month. Overtime hourly wages are arbitrarily set by the management but not paid at least 150% the normal hourly wages on weekdays, 200% on weekends

and 300% on statutory holidays, a serious violation of Article 44 of the Chinese Labor Law. At Kam Long, many workers report being cheated out of wages. When one worker attempted to check his wage records for miscalculations with his supervisor, he was denied. Both piece-rate and time-rate workers complain about unfair treatment. The management is found paying its hourly production workers only RMB 2.04, some 50 percent less than the current level at RMB 4.12!

- Unsafe Working Conditions – Workers in several factories are exposed to a number of health hazards. For instance, a 22-year-old Tai Qiang male worker’s left leg was pressed by a heavy machine, bone fractured, and delayed medical treatment. He testified that all his co-workers were not given any protection gear. For another instance, workers in the blow molding department at Kam Long report that the knives they use are very sharp and they have to work quickly to keep up with the production pace. As a result, a lot of workers cut their fingers. One worker even cut down to the bone but afterwards just wrapped it up, because the factory would not allow him to go to the hospital. These workplace practices are in serious violations of the Chinese Labor Law, the Production Safety Law, and the Code of Occupational Disease Prevention. Inspectors from Wal-Mart rarely paid any attention to worker safety but product quality, said most of the workers interviewed.
- Deplorable Worker Housing and Unacceptable Canteen Food – Workers report unsanitary housing conditions at all five factories. For example, one worker at Tai Hsing said the company dormitory is “not suitable for human beings to live in!” Twelve male adults are squeezed into one dormitory room. There is virtually no private or personal space and the communal bathrooms are dirty. Worse still, workers report waiting for one hour on average to get into the shower. Workers also report a strong dissatisfaction with foods served in factory canteens. For example, at Kam Long, a worker said, “We have to eat vegetables almost every day – it is disgusting. We eat fried egg and bitter melon and the food is often burnt. The bitter melon does not even have the flavor of bitter melon. These dishes usually have something in them that is difficult to choke down so we just swallow it all in one gulp.”
- Punishments and Fines – Rules are for breaking at all five factories. Workers at Tai Qiang, for instance, are fined 10 yuan for failure to put on a work cap,

10 yuan for loss of staff card, 50 yuan for “misconduct” from the viewpoint of management, and 80 yuan for “serious offenses.” For another instance, workers at Kam Long, a Wal-Mart “approved factory,” are deducted 3 days’ wages and bonuses if they miss a day of work.

- Workers Without a contract – Wal-Mart claims to be committed to an ethical sourcing policy, in which suppliers sign labor contracts with workers to protect their fundamental rights. In reality, 4 of the 5 surveyed factories sign contracts only with older workers, and information of the 5th case is not available.
- Non-Provision of Social Security – All 5 factories do not provide their workers with any medical insurance or pensions, an infringement of the Social Security Regulations. The few older workers who have enrolled in the industrial injury insurance schemes comment critically that their management does this with an intention to deal with audits from factory’s customers, but not for the well-being of workers.

Scripts, Threats and Hidden Workers

Testimony and evidence collected from factory workers also sheds new light on why Wal-Mart’s supplier code of ethics and top-down monitoring program consistently fails to stop serious labor violations.

Many supplier factories have gotten better at concealing labor abuses, so as to survive in the “race to the bottom” global economy. At the Tai Hsing toy factory in Shenzhen, managers conducted “training sessions” with workers on how to answer questions from Wal-Mart’s auditors in preparation for pre-announced inspections. At these trainings, managers warned workers, “If you answer auditors’ questions incorrectly, we get to lose orders and you get to lose your job.” Management at the Tai Hsing factory also instructed workers that if they answered Wal-Mart’s questions “correctly,” they would earn a RMB 50 bonus, otherwise they would be dismissed.

At the Kam Long toy factory in Zhuhai, managers resorted to fraudulent tactics by preparing a set of scripts for frequently asked questions, forced workers to commit a standardized answer key to memory in dealing with an upcoming Wal-Mart audit. On the day of the audit, all the workers without labor contracts, workers without social insurance, and novice workers were required to take a day off to avoid detection.

Failing Standards for Suppliers, Suppression of Union Rights

Wal-Mart, in its 2005 “Standards for Suppliers,” claims to be committed to

workers' rights to "freedom of association" but workers argue the opposite. When Tai Qiang workers petitioned to the Wal-Mart corporate responsibility department in April 2005 to set up a worker-run union in accordance with the local law, they did not receive any reply. Wal-Mart turned a blind eye to their sufferings when the worker leaders were retaliated and laid off by the factory management.

At Kam Long, in one worker's words, "We all are forced to keep our resentment to ourselves, there is nowhere to register complaints... and we are afraid if we do complain, we will be fired or receive wage deductions."

The Wal-Mart Squeeze

Widespread accounts of labor violations in Wal-Mart's supplier factories indicate that Wal-Mart's attempt to improve working conditions in China and other countries is failing. Wal-Mart's low-cost sourcing strategy coupled with its inadequate monitoring system encourages suppliers to violate even the most basic laws and ethical standards.

In light of these first-hand findings, SACOM calls on Wal-Mart to collaborate with civil society groups to provide workers with labor rights training programs, to support democratic elections run by workers for the establishment of worker representation mechanisms, and to engage workers in monitoring corporate responsibility for the long term.

1. Introduction: China's Export-Oriented Toy Industry

China is the largest producer and exporter of toys in the world. The United States and the European Union are key markets for toys "Made in China," accounting for 47.7 percent and 22.4 percent of the country's total toy exports in 2005.¹ China's share of the United States toy market had more than doubled from 41.4 percent in 1992 to 86.2 percent in 2006.²

China's toy manufacturing industry is concentrated in the coastal region. In 2005, more than 95 percent of Chinese toy production was located in Guangdong, Fujian, Zhejiang, Jiangsu, and Shandong provinces.³ Guangdong alone accounted for 69.3 percent of toy production in China.⁴ The majority of toy factories in Guangdong are run by Hong Kong investors who shifted labor-intensive, low value-added production to the Pearl River Delta in the 1980s to take advantage of low labor costs.⁵ Most Chinese toy firms, owned by either Hong Kong or domestic businesses, are original equipment manufacturers (OEM), producing brand name products for overseas manufacturers or retailers.

The competitiveness of China's export-oriented toy industry is, in short, based on a low price strategy which is made possible by "race to the bottom" production costs. In particular, low labor costs are the most important determinant of competitiveness in China's toy industry.

Simultaneously, China's toy industry has been criticized for sacrificing workers' rights to maintain a low-price-centered business model. Journalists and labor rights advocacy groups have exposed systemic sweatshop abuses in China and elsewhere. The root cause of these labor pains can be traced to fierce competition among multinationals and hence the downward pressure on labor standards in their global supply chains.

¹ "Toy Exports up 42% in 1st 11 Months of 2005," *Global News Wire - Asia Africa Intelligence Wire*, January 19, 2006.

² The International Trade Administration of the US Department of Commerce, "Top 25 Import Sources for All Toys, Games and Dolls SIC 3942, 3944: Customs Value," 1992-2006. See http://www.ita.doc.gov/td/ocg/imp3942_44.htm; and http://www.ita.doc.gov/td/ocg/archive/aimp3942_44.htm.

³ "Bigger and Better: The Continued Growth of China's Toy Industry," *Playthings*, October 1, 2006.

⁴ See footnote 1.

⁵ Xianggang Wanju Changshang Hui [The Toys Manufacturer's Association of Hong Kong], 2001, p.1-2.

Wal-Mart, in response to the anti-sweatshop movement, has adopted a corporate code of conduct and employed various kinds of monitoring systems. Yet, based on our 5 in-depth case studies of toy factories in southern China, SACOM finds that Wal-Mart's Corporate Social Responsibility (CSR) mechanism remains extremely weak. The voluntary, self-policing compliance programs of Wal-Mart, which lack both worker and NGO participation, are completely without credibility.

2. Wal-Mart's Unethical Sourcing Policy

China is Wal-Mart's largest sourcing country. Wal-Mart, despite its claims to "Buy American" in the 1990s, doubled its imports from China between 1997 and 2002 to US \$12 billion.⁶ In 2003, Wal-Mart established its own global procurement division headquartered in Shenzhen city, which has 21 offices located in 18 countries to hunt for the cheapest raw materials, manufacturers and shipping routes. In the same year, more than 80 percent of Wal-Mart's 6,000 supplier factories were based in China.⁷ During 2002 to 2004, Wal-Mart increased its Chinese imports by 50 percent, so that the value of Chinese-made goods imported by Wal-Mart reached US \$18 billion in 2004.⁸

Wal-Mart's dominance in the global marketplace has forced toy supplier factories at different tiers to live with its low-price business model. Pitting its suppliers one against another, Wal-Mart squeezes the lowest price out of its supply chain. Wal-Mart often sells popular toys at cost or below its rivals' costs. Chinese officers of the Toy Association in Guangdong remarked, "*U.S. buyers demand prices that are not reasonable.... Wal-Mart in particular puts a lot of pressure on prices, and as they order so much from China, it has a large influence.*"⁹ Toy merchandisers squeeze their overseas OEM suppliers for the lowest price, and OEM suppliers pass on the cost by squeezing wages and cutting corners on working conditions.

⁶ Fishman, Charles. 2006. *The Wal-Mart Effect*, p.102-103. New York: The Penguin Press.

⁷ Peter S. Goodman and Philip P. Pan, "Chinese Workers Pay for Wal-Mart's Low Prices." *Washington Post* A1, February 8, 2004.

⁸ See footnote 6.

⁹ "China's toy industry feels growing pains." *USA TODAY*, December 21, 2006.

3. Five Chinese Supplier Factories of Wal-Mart

SACOM's research team conducted first-hand investigations at Wal-Mart's toy supplier factories located in the industrial zones of Shenzhen and Zhuhai cities in Guangdong from June 2005 to December 2006. Despite Wal-Mart's repeated refusals to publicly disclose the names of its suppliers in China and other countries, SACOM used internet searches and other channels to identify Wal-Mart suppliers.



Tai Hsing Toys Co., Ltd. (left) and its subsidiary, Zai Xing, Shenzhen

The 5 surveyed toy factories are privately owned businesses. According to their business registration certificates, Tai Hsing and Xin Tai Xing are 'Hong Kong-invested businesses' while Zai Xing a 'foreign-invested enterprise' (see Appendix I for the three certificates).¹⁰ Tai Hsing, founded in 1992, enjoys the economy of scale with a large workforce of 5,000 to 6,000 workers, and its two smaller subsidiaries are Xin Tai Xing (founded in 1995) and Zai Xing (founded in 1995), each has about 1,000 workers. Tai Qiang, a then small toy processing facility founded in Shenzhen in 1989, now grows into two plants with approximately 1,500 workers in total. In Zhuhai city, Kam Long employs around 1,000 workers who are responsible for product design and manufacturing.



Kam Long's toys assembly and packing lines in its Zhuhai factory (www.kamlong.com)

¹⁰ Workers however reported that Tai Hsing, Xin Tai Xing and Zai Xing are owned by the same Taiwanese group.

SACOM interviewed 82 production workers from different factories so as to have a better understanding of their working conditions. Workers duties included assembly and packing, quality control, mold-making, injection molding, rotational molding, blow molding, metal stamping, spray painting, hand painting, and pad printing. About 80 percent of workers are young rural women migrants between 18 and 30 years old (with the exception of Kam Long where young male migrant workers in their late teens and early 20s are the majority), from interior provinces of Hunan, Hubei, Sichuan, Yunnan, Jiangxi, Henan, and Hebei.

3.1. Excessive, Forced Overtime and No Rest

The management at all five factories imposes a “6-day workweek” and a minimal 11-hour workday on their production workers – making for a 66 to 78 hour workweek. Article 3 of State Council Rules on Working Hours states that working hours should not exceed 8 hours a day and 40 hours a week. According to Article 41 of the Chinese Labor Law, employers may extend working hours due to production requirements after consultation with employees, but “the extended working hour for a day shall generally not exceed 1 hour;” if such extension is called for due to special reasons, “the extended hours shall not exceed 3 hours a day. In total, the extension in a month shall not exceed 36 hours.”

Factory	Workday	Workweek	Work month
Tai Hsing	11 hours 7:30 - 11:30 a.m.(4 hours) 1:30 - 5:30 p.m. (4 hours) 6:30 - 9:30 p.m. (overtime 3 hours)	66 hours (Mon to Sat)	264 hours
Xin Tai Xing	11-12 hours 7:30 a.m. - 11:30 a.m. (4 hours) 12:30 - 4:30 p.m. (4 hours) 6:30 - 9:30/10:30 p.m. (overtime 3 - 4 hours)	66 - 72 hours (Mon to Sat)	264 - 288 hours
Zai Xing	11.5 hours 7:30 - 11:30 a.m.(4 hours) 12:30 - 4:30 p.m. (4 hours) 5:30 - 9:00 p.m. (overtime 3.5 hours)	69 hours (Mon to Sat)	276 hours
Tai Qiang	11-12 hours 7:30 - 11:30 a.m. (4 hours) 1:00 - 5:00 p.m. (4 hours) 6:00 - 9:00/10:00 p.m. (overtime 3 - 4 hours)	66 - 72 hours (Mon to Sat)	264 - 288 hours
Kam Long	11 - 13 hours 8:00 a.m.- 12:00 p.m. (4 hours) 1:30 - 5:30 p.m. (4 hours) 6:30 – 9:30/11:30 p.m. (overtime 3 - 5 hours)	66 - 78 hours (Mon to Sat)	264 - 312 hours

During the peak season, at all five supplier factories, workers are not given a day off in an entire week and overtime work on Sunday is mandatory. A 22-year-old Sichuan female worker described her typical workday in Shenzhen:

‘We start our work at 7:30 A.M. and then we have our lunch break at 11:30 A.M. Then, at 1 P.M., we punch our time cards and resume work. We have a one-hour dinner break between 5 P.M. and 6 P.M. The long working day is not yet finished. We continue to do compulsory overtime work until 9 P.M. or 10 P.M. Every one of my sisters feels exhausted after working for almost 12 hours.’

Chinese Labor Law on Working Hours

Working hours should not exceed 8 hours a day and 40 hours a week –

Article 3 of State Council Rules on Working Hours

1 day of rest required every week –

Article 38 of Labor Law

Overtime not to exceed 3 hours a day or 36 hours a month –

Article 41 of Labor Law

The most serious rights violation case in our sample is Zhuhai-based Kam Long. Workers report that on average they work as many as 28 days per month and up to 30 days when filling rush orders. In one month their working hours reached a record high of 336 hours. They also complain that they are not allowed to refuse overtime – even when they have a bad cold or headache. There is no paid sick leave or rest day.

At Tai Hsing, where work is “shortened” to 66 hours per 6 days – the closest to the *60-hour work week* recommended in Wal-Mart’s 2005 Standards for Suppliers – workers are commanded to work at high production speed throughout the work shift. When the daily quota is not met, they are coerced to work continuously for 3 to 4 hours *after* turning in their time cards. These working hours are “obligatory,” unrecorded and unpaid. Excessive, forced overtime work is thus deeply embedded in the system of management.

By the end of a month, workers at the surveyed factories often toil up to 264 to 312 hours. This far exceeds the maximum legal limits of working hours.

3.2. Far From a Minimum Wage and Deductions

In Longgang and Baoan Districts of Shenzhen City (where Tai Hsing, Xin Tai Xing, Zai Xing, and Tai Qiang are located), the legal minimum wage was RMB 580 per month between 2005 and 2006, and RMB 700 per month between 2006 and 2007. In Zhuhai (Kam Long), the legal minimum wage was adjusted to RMB 690 per month between September 2006 and 2007. These are basic labor remunerations for a standard 5-day work week of 8-hour work days.

In our research, none of the five factories pay their workers in accordance to the law. On average, workers earn only between RMB 600 and 800 per month, despite excessive overtime work throughout the month. Overtime hourly wages are arbitrarily set by the management, which are *not* paid at least 150 percent of the normal rate on weekdays, 200 percent on Saturdays and Sundays, and 300 percent on statutory holidays, a serious violation of Article 44 of the Chinese Labor Law. Worse still, each worker is deducted RMB 180 to 240 for food and lodging every month, constituting some 30 percent of his or her wages. In these ways, workers are paid far below the legal minimum wage.

Factory	Wage Structure	Monthly Wage
Tai Hsing	Base wage + Overtime + Full attendance bonus (RMB 15) – Accommodation (RMB 50) & Food (RMB 130)	RMB 700 – 800
Xin Tai Xing	Base wage + Overtime – Accommodation (RMB 50) & Food (RMB 190)	RMB 700 – 800
Zai Xing	Base wage + Overtime – Accommodation (RMB 50) & Food (RMB 135)	RMB 700 – 800
Tai Qiang	Base wage + Overtime – Charges for using water and electricity in dormitory (RMB 32) & Food (RMB 150)	RMB 700 – 800
Kam Long	Piece and / or hourly wage rates + Overtime – Accommodation (data not available) & Food (RMB 50 – 60)	RMB 600 – 800

In the 2006 and 2007, factory management imposed even higher daily production quotas and sped up the production schedule. Workers sadly expressed that they worked very hard but for more or less the same wages as last year.

At Zhuhai-based Kam Long, many workers even reported being cheated out of wage payments. One worker expressed that his wages were miscalculated. When he attempted to check the records with his supervisor, he was denied. Another worker

cited a concrete example to illustrate the managerial tricks: when management sees workers becoming more skilled at their work, they deliberately reduce the unit price and thereby the workers' wages. In the past, the unit price for producing one "Angel Figurine" was RMB 0.15 but it has now been lowered to RMB 0.045. Similarly, in the dust free workshop, the unit price of attaching a gemstone to the toy is continuously dropping, i.e., from RMB 0.12 to 0.06 and finally to 0.04 (overall a dramatic cut by 2/3). Ironically, the harder the production workers work, the lower their wages. Last but not least, the management actually pays its hourly production workers RMB 2.04, some 50 percent less than the current level at RMB 4.12. As a result, the turnover rate at Kam Long is very high.

Workers' wages are pitifully low. During the low season, workers at Shenzhen-based Xin Tai Xing and Zai Xing, two subcontractors of Tai Hsing, indicated that they often have no orders, not even enough to provide an 8-hour standard day's work. Factory bosses force workers to take "days off" (unpaid vacation) so workers typically only earn RMB 400 to 500 a month (or RMB 200 to 300 *less* than the legal minimum wage level). At Kam Long, workers mentioned that they were once forced to take as long as 16 "days off" in a month! This income, much lower than the statutory minimum, is not nearly sufficient to pay their everyday living expenses, let alone remitting money back home.

3.3. Unsafe Production Environment

All 5 factories put workers on the production line without adequate safety training, in serious violations of the Chinese Labor Law, the Production Safety Law, and the Code of Occupational Disease Prevention. SACOM found that workers at Tai Qiang and Kam Long are exposed to a number of health hazards that should require management to train workers at least on health risks and techniques to prevent accidents.

First, at the mold making department of Tai Qiang, a 22-year-old male worker's left leg was pressed by a heavy machine, bone fractured, and delayed medical treatment. He testified that all his co-workers were not given any effective protection gear. In the paint spraying workshop, most women workers were exposed to toxic substances and developed skin irritations.

Second, workers in the blow molding department at Kam Long state that the knives they use are very sharp and they have to work quickly to keep up with the production pace. As a result, a lot of workers cut their fingers. One worker even cut down to the bone but afterwards just wrapped it up, because management would not allow him to go to the hospital. In addition, at the spraying department, workers suffer severe headaches even when they put on face masks at work. The ventilation system is substandard and the paint used is toxic, giving out an irritating smell that is hazardous. Workers have called on the replacement of the chemical agent but have been ignored.

Third, quality control workers across the 5 factories commonly suffer from eye problems. They are required to do eye intensive inspections of the semi-finished products for long hours without rest (usually 11 to 13 hours per “normal shift”). Managers fine workers for quality issues that go unnoticed. As a result, quality control workers generally suffer from stress, eye strain and short-sightedness over time.

Inspectors from Wal-Mart rarely paid any attention to worker safety but product quality, reported by most of the workers interviewed.

3.4. Inferior Living Conditions

Employers have power not only over employment but also the housing needs of migrant workers. Tai Hsing’s old dormitory, in one worker's words, is “not suitable for human beings to live in!” Twelve male adults are squeezed into one dormitory room. There is virtually no private or personal space. Moreover, the toilet is smelly and the standard of hygiene unacceptably low. Furthermore, workers have to wait to get into the shower for an average of 1 hour after working overtime late in the night.

Factory	Maximum Capacity/Room	Remarks on Dormitory Facility
Tai Hsing	12 persons	New dormitory: with a restroom and bathroom in each room Old dormitory: communal restrooms and bathrooms
Xin Tai Xing	10 persons	Several couples housed in one room without privacy
Zai Xing	12 persons	2 fixed fans at the ceiling but those at the lower-bunk beds cannot feel the coolness
Tai Qiang	12 persons	A 8-story dormitory block of dirty and smelly corridors
Kam Long	12 persons	As many as 180 workers, allocated in 15 small rooms, in one single floor

Similarly, the conditions of Kam Long dormitory are substandard. Twelve people share one room and there are as many as 15 rooms on each floor, totaling 180 people per floor. Workers say that the restroom environment is very poor and the facilities are extremely inadequate. They must store all their personal belongings on or under their bunk beds. Even worse is that they often lose some of their personal items because of theft. While they sleep, they become very worried about their personal belongings getting stolen. Dormitory security is a pressing problem faced by workers.

Married workers at Xin Tai Xing have other reasons to complain. Factory dormitories are designed predominately for single, transient workers, which neglect the family needs of couples. Married men and women all found it highly inconvenient to share the same dorm room with other couples. “There is no privacy at all,” said one couple.

Besides the living quarters, workers reported strong dissatisfaction with factory canteens. For example, at Kam Long, a worker said, “We have to eat vegetables almost every day – it is disgusting. We eat fried egg and bitter melon and the food is often burnt. The bitter melon does not even have the flavor of bitter melon. These dishes usually have something in them that is difficult to choke down so we just swallow it all in one gulp.” Most workers at Tai Hsing, Xin Tai Xing, Zai Xing and Tai Qiang in Shenzhen lack the money to eat outside the factory. The food there is “disgusting but we still have to eat it.”

3.5. Punitive Fines

Managers control discipline on the shop floor through a system of strict rules and fines. For example, workers at Tai Qiang are fined 10 yuan for failure to put on a work cap, 10 yuan for loss of staff card, 50 yuan for “misconduct” from the viewpoint of management, and 80 yuan for “serious offenses,” to name only a few.

Workers’ need for rest is yet another excuse to fine workers at Kam Long, a Wal-Mart “approved factory.” Managers require workers to work at least 12 hours of overtime through weekends without days off during the peak season. Naturally, workers need rest. However, workers are punished severely if they miss work without

permission. They suffer deductions of 3 days' wages and bonuses if they miss a day of work. This effectively prevents absenteeism since workers will lose a substantial portion of their monthly income. Another young worker confided to us that because of the very long working hours of one night shift, she could not help but fall asleep and was heavily fined RMB 50.

The atmosphere of fines and punishment is a source of enormous stress for workers. "My nerves become tensed as I step onto the shop floor," commented a 21-year-old Hunan machine operator.

3.6. Workers Without a Contract

Wal-Mart claims to be committed to an ethical sourcing policy, in which suppliers sign labor contracts with workers to protect their fundamental rights. Article 19 of the Chinese Labor Law spells out the inclusion of the following clauses in an effective contract:

- (a) terms of labor contract;
- (b) contents of work;
- (c) labor protection and working conditions;
- (d) labor remuneration;
- (e) labor disciplines;
- (f) conditions for the termination of a labor contract; and
- (g) responsibility for the violation of a labor contract.

In reality, Tai Hsing (direct supplier of Wal-Mart), Xin Tai Xing and Zai Xing (2nd tier suppliers) sign contracts only with veteran workers. Similarly, Kam Long, a Wal-Mart "approved ODM and OEM manufacturer," refuses to give contracts to all but older ones. In other words, Wal-Mart fails to ensure their 5 supplier factories to comply with the local law labor and its own code of conduct.

In the event that labor disputes arise over wages, working hours, compensation for industrial injuries, welfare and benefits, and so on, it would be very difficult for workers to substantiate their employment relations and defend their legitimate interests.

3.7. Non-Provision of Social Security

All 5 factories do not provide their workers with any medical insurance or pensions, whose basic labor rights are not safeguarded.

Factory	Industrial Injury Insurance	Medical Insurance	Old-Age Insurance
Tai Hsing	Only for some workers	No	No
Xin Tai Xing	No	No	No
Zai Xing	No	No	No
Tai Qiang	Only for some workers	No	No
Kam Long	Only for some workers	No	No

To cope with worsening cases of workplace accidents, the State Council issued the Procedures for Industrial Injury Insurance in April 2003. According to this regulation, industrial injury insurance premiums shall be paid by employers instead of by employees themselves. The few older workers who have enrolled in the insurance schemes at Tai Hsing, Tai Qiang and Kam Long comment that their management does this with a strategic goal to pass audits by factory’s customers, but not for the well-being of workers. If workers at Xin Tai Xing and Zai Xing, the subcontractors of Wal-Mart, contract occupational diseases or injuries, they may not be able to afford high medical fees.

4. Factory Inspection and Falsification

Wal-Mart has faced growing public criticism for using sweatshop labor in its supply chain and for deteriorating labor standards in the world. To rescue its corporate reputation, Wal-Mart adopted its own code of conduct when CSR practices gained momentum during the past decade. But many supplier factories have gotten better at concealing labor abuses, so as to survive in the “race to the bottom” global economy. Wal-Mart’s compliance code, factory certification program, and monitoring systems exist in name only.

The management of Tai Hsing, for example, indoctrinated its workers in “focused training sessions” for the pre-announced audit scheduled by Wal-Mart in October 2005: “If you answer auditors’ questions incorrectly [uncover labor rights abuses or non-compliance with Wal-Mart’s standards], we get to lose orders and you get to lose your job.”

Falsification of audits is not limited to Tai Hsing alone. On the day of the audit, all the workers at Kam Long without labor contracts, workers without social insurance, and novice workers were required to take a “day off” and the factory gates were secured so that none of them could enter the factory.

The management at Kam Long also uses threats and bribes to compel workers to answer auditors’ questions in accordance with a 4-part question and answer sheet (SACOM translated the document from Chinese to English below; see Appendix II for the text). The “standard key” shows how far cheating on CSR audits has gone. Management gives each production line the paper and takes it back after workers have committed it to memory. It is part of the tool in coaching the workers to ensure the factory passes the audit. We learned that the information on the working conditions regarding wages, overtime compensation, working hours, rest days, occupational health and safety training, codes of conduct, and grievance management system, is *untrue*:

Part I

1. When did you start working in this factory? (Answer: Your first date at work here.)
2. Were you charged any deposits when getting into this factory? (Answer: No.)
3. What is your date of birth? Where do you live? (Answer: In accordance with the information printed on the identity card.)
4. At the time you started to work, were you provided with regulations, rules or memos about this factory for your reference? (Answer: Yes. A Guidebook for Employees.)
5. Do you have a copy of the Guidebook? (Answer: Yes. I keep it in my living place.)
6. Did you receive training during the probation period? (Answer: Yes. It lasts for one month.)
7. What are the training contents? (Answer: Factory regulations, working hours, fire safety, production safety, etc.)
8. How is your wage calculated during probation? (Answer: RMB 33 / day, i.e. RMB 4.13 / hour.)
9. How is your wage calculated after probation? (Answer: RMB 34 / day, i.e. RMB 4.25 / hour.)
10. In accordance with the Chinese Labor Law, what is the current minimum wage

level? (Answer: RMB 684.)¹¹

11. Does the factory provide you with housing and food? (Answer: For those who live on their own: we take care of our accommodation and cook by ourselves.)
12. How many days do you work in a month? (Answer: Five-day work weeks. But we usually do overtime work on Saturdays. We have rest days on Sundays.)
13. How is your wage calculated on Saturdays? (Answer: Double.)
14. Any overtime work? (Answer: Yes. (1) First shift workers should reply as follows: we do one-hour overtime work on every weekday from Mondays to Fridays and 4 hours of overtime work on Saturdays. Third shift workers should reply as follows: we do 8 hours of overtime work during the daytime on Saturdays. (2) Adjustments will be made from July 1 onwards: 2 hours of overtime work on every weekday from Monday to Friday, and 8 hours of overtime work at daytime on Saturdays.)
Is overtime work voluntary? (Yes.)

Part II

40. Is there a first-aid box on the shop floor? (Answer: Yes.)
41. What is the name of your factory? (Answer: Kam Long Industrial Co., Ltd.)
42. The number of workers who are at work is so small. Are all the others on leave today? (Answer: No. It is small.)
43. How many stories does your factory have? (Answer: 5 stories.)
44. Which department does your factory have? (Answer: Injection Molding, Blow Molding, Rotational Molding, Spray Painting, Assembly, Repair and Maintenance, Engineering, Quality Control, and Warehousing.)
45. Have you ever been forced to change your work tasks? (Answer: No.)
46. Can you ask for a change of your work tasks? (Answer: I can.)
47. Can you answer your phone calls? (Answer: In emergency situations, I can. On usual matters, messages will be kept and I will be notified after work.)
48. Did you know that we would come today to audit the factory? Have you been trained for this? (Answer: No, I didn't know. No.)
49. Do you have a housing subsidy? (Answer: No.)
50. Who is the person-in-charge of the workplace trade union? What is the function of the union? Whom would you ask for help if you have difficulties? Where is the office of the union?
(Answer: Zhang Jun-Xuan; Helps us workers to solve questions; Zhang Jun-Xuan; 5th Floor.)

¹¹ SACOM's edition: Between May 1, 2005 and August 31, 2006, the legal minimum wage level in Xiangzhou District in Zhuhai City was RMB 684 per month. It slightly increased to RMB 690 effective September 1, 2006.

Did you join the union? (For those who did – answer: yes; for those who did not – answer: no.)¹²

51. Did your factory sign a labor contract with you? (Answer: Yes.)
52. How long does your contract last? (Answer: Usually it lasts for 6 months. For other cases, refer to the concrete terms of the contracts.)
53. What is your pay, as specified in the contract? (Answer: RMB 34 / day.)
54. Do you have a copy of the labor contract on hand? (Answer: Yes. I put it in my living place.)
55. What clauses are included in a labor contract? (Answer: Terms of a labor contract, contents of work, working hours, payment of wages, labor protection and working conditions, etc.)
56. Did you have an in-service medical check-up? Do you have annual check-ups? Do you have to pay for these? (Answer: Yes; yes; paid by the company.) Do you have a health certificate? May I have a look at it? If you are found to be pregnant, will you still be employed?¹³

Part III

65. What are the application procedures for asking for leave? (Answer: I fill in the form of leave and pass it to my line leader; and it is done upon the supervisor's endorsement.)
Do you need to apply for leave on Saturdays and Sundays? (Answer: No need to do so.)
66. Is there an opinion box in the factory? (Answer: Yes. It is placed next to the card punching machine at the factory door.)
67. What channels are available for you to ask questions, give suggestions or make complaints? (Answer: I can approach our employee representative, speak to my line leader or supervisor, or write to the opinion box.)
68. What kinds of chemical agents does your department use? (Answer: Oil dilution solvent, alcohol, and paint. But these are not the same for all the departments. It depends on our actual production needs.)
69. Have you ever seen the Codes of Conducts of Disney, Wal-Mart, or the International Council of Toy Industries?¹⁴ Do you know what they are?

¹² SACOM's edition: Based on our field investigation, none of the worker interviewed at Kam Long was aware of the "existence" of the official trade union in the factory. Even if it does exist, it is largely subordinated to the Chinese party-state and the enterprise management. In foreign-invested enterprises, many leaders of basic-level union committees are concurrently board directors, vice-directors, or managerial staff. Basic-level union branches, in short, tend to be responsible to management but not workers.

¹³ SACOM's edition: The answer is unclear to our research team.

¹⁴ SACOM's edition: The International Council of Toy Industries (ICTI) aims to promote international toy safety standards and to inform, educate, and survey its members so that individual member companies can adhere to its Code of Business Practices (www.toy-icti.org/). Kam Long is likely one of the ICTI members. SACOM is enquiring about Kam Long's membership status by approaching the CEO and President of ICTI CARE Foundation

(Answer: Yes. These codes are posted on the notice boards. They mainly mention standards and regulations on labor remuneration, working hours, child labor, discrimination, etc. But I cannot remember clearly the details.)

70. How many days prior to your resignation should you notify the factory management? (Answer: 30 days.)

In how many days after your resignation will you receive your wages?

(Answer: I receive them on the same day of resignation.)

Do you need to return your staff card and uniform upon resignation? Why?

(Answer: Yes. Because they are provided by the company.)

71. Will compensation be given if an employee is laid off by the company?

(Answer: Yes. A month's wages for those who have served for one year, two months' wages for those who have served two years, and so on.)

72. How do you know about benefits and factory rules? (Answer: They are written down in the Guidebook and Memo for Employees.)

73. Is there a designated area for smoking? Where? Does it mean that one can smoke only within the designated area? (Answer: Yes; on the rooftop of the 5th floor; yes.)

Part IV

Answer:¹⁵ Can report to upper-level management, and write to the opinion box.

4. Have you received training on anti-terrorism recently? (Answer: Yes.)

5. What should you return to the factory upon resignation? (Answer: Staff card and uniform.)

The following 3 points are applicable for managing staff:

1. Did you receive training during the probation period? (Answer: Yes. It lasts for one month.)

2. How is your wage calculated? (Answer: Basic wage is calculated on a daily basis 《take the reference of 20.5 days in a month》 + subsidy.)

Wages according to different ranks:

Line leaders - RMB 34.15 / day (i.e., RMB 700 / 20.5 days);

Assistant supervisors - RMB 36.59 / day (i.e., RMB 750 / 20.5 days);

[including non-supervisory-graded staff and engineers of the office]

Supervisors - RMB 39.02 / day (i.e., RMB 800 / 20.5 days);

Managers - RMB 43.90 / day (i.e., RMB 900 / 20.5 days).

3. Terms of labor contract: Usually between 6 months and one year.

Inc. (www.iciti-care.org).

¹⁵ SACOM's edition: The question is unclear to our research team.

Kam Long forced its workers and staff to recite and memorize these standardized answers for frequently asked questions.

In summary, the corporate codes of conduct and top-down monitoring system do not result in significant improvements in the treatment of workers. Wal-Mart's Code is *not* effectively implemented in the 5 supplier factories and its ability to protect the workers is drastically compromised by the loop-holes built into the existing monitoring model. The fact is that only a certain proportion of the supplier factories are audited every year, and the vast majority if not all of these audited factories receive prior notification before the actual date of the audit. Since the management of the factories can have time to prepare fake reports and evidence, and to coach workers not to tell the truth, this monitoring model is obviously not a viable way to assure factory compliance with the legal, human and worker rights standards.

5. Workers' Right to Join Union

In 2004, the All-China Federation of Trade Unions (ACFTU) singled out Wal-Mart as the main obstacle to its national unionization program aimed at foreign-invested enterprises. Under the ACFTU's escalating criticisms against Wal-Mart and even threats of lawsuits, Wal-Mart agreed to allow its Chinese employees at retail stores to join unions affiliated with the ACFTU, by saying in its official statement: "*Should associates request formation of a union, Wal-Mart China would respect their wishes.*"¹⁶ Until mid-2006, however, no union organization had ever been set up in Wal-Mart's distribution outlets in China. The ACFTU took an active role in mobilizing Wal-Mart employees to form workplace unions. In less than two weeks' time, several unions were first set up in Wal-Mart stores in Quanzhou, Shenzhen and Nanjing. By October 2006, the ACFTU announced that over 33,000 employees at all 66 Wal-Mart outlets in China had joined unions.¹⁷

¹⁶ "Wal-Mart Loves Unions (In China)." *The Washington Post*, December 1, 2004.

¹⁷ "Official Union in China Says All Wal-Marts are Organized." *The New York Times*, October 13, 2006; "Unions Get Grip on China's Wal-Marts; Two Thirds of Stores are Now Organized." *The Globe and Mail*, September 18, 2006.

While Wal-Mart’s service workers at all China’s stores are “organized,” millions of Chinese manufacturing workers at thousands of Wal-Mart’s supplier factories are either struggling to unionize themselves or to ensure that their unions work to advance their collective interests.

At Tai Qiang, workers with higher levels of rights consciousness have created their own “Compassion Group” [*Aixin Xiaozu*], which inspired their co-workers to continue further organizing initiatives. From late 2004 onwards, some 200 production workers participated spontaneously in various activities held by the “Compassion Group Activity Centre” at the workplace level.



A Tai Qiang worker and core member of the “Compassion Group.”

Here are translated extracts from the petition letter of Tai Qiang workers (See Appendix III for the Chinese text):

We thus established “Compassion Group,” where group participants can utilize their spare time to collect books and to voluntarily contribute funds to buy stationary, periodicals, and other objects for entertainment. Through our unselfish volunteer work and strong commitment, we were finally able to establish a “Compassion Group Activity Centre.” Hence, with our great effort, we attained the highest level of praise from our fellow workmates. We were overflowing with joy yet couldn’t help but worry because our Compassion Group was constantly growing. This growth caused some difficulties for us to engage in our work, for example, a lack of funding, manpower, and other material resources. These difficulties were further exacerbated by the flawed managerial systems as well as legal limitations. At that time, in order to better build a bridge linking the workers and the management, create a balanced bilateral labour-capital relation, and uphold a platform of dispute resolution through consultation and negotiation, we decided

to, in accordance with The People's Republic of China Trade Union Law, establish a labour union.

Four months after Wal-Mart included a freedom of association clause in its "Standards for Suppliers" in January of 2005,¹⁸ the "Compassion Group" at Tai Qiang submitted an application letter to the city-level union, signed by over 200 workers. The Trade Union Law stipulates that in any workplace with 25 or more employees, the workers can elect their own representatives and establish a basic-level union committee under the governance of local unions.

On April 4, 2005, with over 200 worker signatures in support, we formed an organizing committee. On the morning of April 5, we submitted our intention to forming an enterprise-based trade union to the higher ranking union leadership. We then returned to the factory to consult with the administrative manager on matters regarding the formation of the trade union. We were met with the company's unreasonable rejection. Consultations and negotiations yielded no results, and we also suffered severe retaliation from the factory.

The management, in violation of the Trade Union Law, suppressed workers' unionization efforts. Specifically, hundreds of workers signing the application letter were threatened to withdraw immediately their support for union organizers, 3 workers representatives were dismissed, and 1 of them was even detained by local police without justification for 16 hours. All these tactics dampened the union organizing committee's morale.

The company did not support the establishment of the union. It also shut down the Compassion Group that had already been established for 4 months. Furthermore, the company threatened workers who had supported us, demanding that they write a statement attesting that we had deceived all the signatories. Such conduct by the management made us feel quite hopeless, like there were no alternatives within the factory. We then reported the rejection to the high ranking union officials many

¹⁸ Wal-Mart's Standards for Suppliers began covering worker's right to freedom of association (FOA) and collective bargaining in January 2005. "*Suppliers will respect the rights of employees regarding their decision of whether to associate or not to associate with any group, as long as such groups are legal in their own country. Suppliers must not interfere with, obstruct or prevent such legitimate activities*" (Wal-Mart Stores, Inc. 2005, p. 27).

times. A government representative eventually arrived. The management agreed to take care of the matter but in fact the retaliation against us only increased.

On April 18, 2005, the factory management fired 3 of the organizing committee members. We were ordered by the security personnel to leave the factory building. We did not give in but ran to the top floor of the dormitory, but there we were almost driven to jump down 8 stories. This use of force instigated quite a strong concern amongst our co-workers. They all criticized the factory's behavior. The police and fire-fighters also came, further criticizing the wrongs within the factory. Upon hearing about the incident, higher ranking officials from the union federation came to deal with the situation. All three parties (workers, management, and the local union) consulted and negotiated for over 2 hours in the neighborhood committee's meeting room. In the end the factory authorities finally agreed not to dismiss the 3 workers and the factory designated personnel worked with us to prepare a new organizing committee. It turned out that the factory delegates a person to take charge of the preparation. The factory and the workers each were allotted three representatives, but at that time the selections hadn't been completely decided. As part of the compromise, we wrote a statement admitting our fault in the near jumping incident and guaranteeing that we would never commit such a mistake again. The factory, in turn, expressed that it just wanted us to return to work and that it would not dismiss us without reason.

But the next day, when one of our members returned to the assembly department to work, he was made to leave the factory by the security personnel and immediately fired. We refused to accept this. The factory could not be allowed to go back on its word and forcefully fire us without reason. In order to establish our own union we faced a disastrous situation and retaliation from the factory. Now, how can we tolerate the establishment of a yellow union right before our eyes? Helping all the workers in the factory extricate themselves from this abyss of suffering was a responsibility we could not walk away from.

Leading Tai Qiang workers refused to yield to the management-dominated, pro-capital "union." They were ready to challenge the factory's use of violence. On April 21, 2005, they mailed a complaint letter to the social responsibility unit of Wal-Mart (the factory's major buyer) to seek their attention to the workers' urgent situation.

Because our factory is a production facility of your corporation, you must assume responsibility for these violations in order to safeguard the international reputation and image of your corporation. We represent all our workers in requesting your prompt assistance in re-building a bridge between the workers and the factory, establishing a worker-run union, consummating the company's managerial protocols, and establishing a harmonious "worker family."

The above statements are based on truth. We hope your corporation will investigate the situation promptly!

In the end, Tai Qiang workers were deeply disappointed because their letter went unanswered. In light of this case, Wal-Mart's commitment to respect workers' union right at its suppliers, and hence collective bargaining, is questioned.

At Kam Long, a union affiliated with the ACFTU may have existed; however, none of the worker interviewed know what their union does. No one has ever met face-to-face with the union chairperson, despite hearing his name repeated many times during the drilling and coaching sessions for factory audits. The union seems unrelated at all to workers' everyday lives. In one worker's words, "We all are forced to keep our resentment to ourselves, there is nowhere to register complaints... and we are afraid if we do complain, we will be fired or receive wage deductions."

Without any support from major buyers such as Wal-Mart and the factory management, workers fail to participate in the decisions that affect their working lives. The inequality between capital and labor is widening.

6. SACOM's Demands: No More Sweatshop Toys made for Wal-Mart

Wal-Mart should be held chiefly responsible for improving the labor conditions in its supply chain. The 5 concrete cases included in this report show the opposite. Workers' basic labor and human rights are not at all safeguarded. Businesses like Wal-Mart, which exploit workers and deceive consumers, will not be tolerated by our society.

SACOM demands Wal-Mart take social responsibility seriously to end sweatshop labor in its suppliers now! Wal-Mart should engage in long-term partnerships with factory managers and workers to promote decent work conditions.

Wal-Mart must:

1. Strictly enforce Chinese Labor Law and Trade Union Law to safeguard workers' lawful rights;
2. Give every worker at every supplier a written employment contract and a copy of Wal-Mart's Code of Conduct in Chinese;
3. Pro-actively work with suppliers to enhance labor rights through sharing CSR implementation costs and reforming sourcing policies. In particular, (a) raise the order price and lengthen turn-over time so as to reflect reasonable labor costs; (b) encourage factories to come into compliance by providing concrete recommendations and set a clear timeline for non-compliant facilities to make improvements;
4. Collaborate with independent, credible NGOs to provide workers at its supplier factories with labor rights training programs, and establish worker representation through democratic elections to protect workers' legal rights, health and safety, and overall welfare;
5. Increase the level of corporate transparency by publicly disclosing the names and addresses of all supplier factories, including contract manufacturers and subcontractors – and openly welcome student activists, academics, and human rights advocacy groups to serve as monitors.

- END -

Appendix I

Tai Hsing Toys (Shenzhen) Co., Ltd. – Business Registration Certificate

深圳市工商物价信息中心

核准外商投资企业注册登记的有关资料

中文名称：泰兴玩具(深圳)有限公司

注册号：企独粤深总字第300940A号

住所：深圳市龙岗区布吉镇丹竹头村（邮政编码：518114）

电话：13418504229

企业类型：独资经营(港资)

法定代表人：黄建肇

董事长：黄建肇

副董事长：

董事：王胜健 张肃堂

总经理：邹国辉

副总经理：

注册登记日期：一九九二年七月十日

经营期限：自 一九九二年七月十日 至 二〇四二年七月十日

经营范围：生产玩具及其零件，产品100%外销。增加：生产经营塑料制品及家用小电器。（不含许可证管理商品）。增营产品100%外销。增加：生产经营电子线路板半成品及配套的电子、五金配件（不可设腐蚀、电镀加工工序，增营产品100%外销。

投资总额：港币 4100万元

注册资本：港币 3200万元

年检情况：2006年度已年检

核准日期：二〇〇六年八月二十八日

登记机关：深圳市工商行政管理局

备注：

股东名称：泰兴国际有限公司

出资比例：100% 国别地区：

（本资料仅供参考，不得作为经营凭证。）

以上资料由深圳市工商物价信息中心提供

二〇〇七年五月廿九日

咨询证明专用章

(3)

深圳市工商物价信息中心

核准外商投资企业注册登记的有关资料

中文名称：新台兴塑胶电子制品(深圳)有限公司
注册号：企独粤深总字第303685A号
住所：深圳市宝安区新安镇固戍朱坳厂房4号（邮政编码：518126）
电话：27497611
企业类型：独资经营(港资)
法定代表人：许南煌
董事长：许南煌
副董事长：
董事：徐盛宏 黄文滨
总经理：许南煌
副总经理：
注册登记日期：一九九五年五月三日
经营期限：自一九九五年五月三日 至 二〇一〇年五月三日
经营范围：生产经营塑胶电子礼品（不含许可证管理及深圳市限制项目），产品100%外销。
投资总额：港币 570万元
注册资本：港币 570万元
年检情况：2005年度已年检，2006年度未年检
核准日期：二〇〇四年十二月二十三日
登记机关：深圳市工商行政管理局
备注：
股东名称：香港英利企业有限公司 出资比例：100% 国别地区：

（本资料仅供参考，不得作为经营凭证。）

以上资料由深圳市工商物价信息中心提供
二〇〇七年五月廿九日



深圳市工商物价信息中心

核准外商投资企业注册登记的有关资料

中文名称：再兴电子(深圳)有限公司

注册号：企独粤深总字第303544号

住所：深圳市宝安区松岗镇洋涌河大道中段（松岗码头北面）（邮政编码：518105）

电话：61155838-737

企业类型：有限责任公司（外国法人独资）

法定代表人：洪毅弘

董事长：洪毅弘

副董事长：

董事：许惠琦 陈在盛

总经理：沈政雄

副总经理：

注册登记日期：一九九五年二月十五日

经营期限：自一九九五年二月十五日 至 二〇一〇年二月十五日

经营范围：生产经营高智能电子礼品（不含限制项目），产品100%外销。增加：生产经营玩具装饰品、电子线路板插件、电子五金配件、产品100%外销。增加：生产经营塑胶件。增营产品100%外销。

投资总额：港币 8800万元

注册资本：港币 6800万元

年检情况：2005年度已年检，2006年度未年检

核准日期：二〇〇六年十二月二十五日

登记机关：深圳市工商行政管理局

备注：

股东名称：力创(毛里求斯)有限公司

出资比例：100% 国别地区：

（本资料仅供参考，不得作为经营凭证。）

以上资料由深圳市工商物价信息中心提供

二〇〇七年五月廿九日

咨询证明专用章

(3)

Appendix II

A standardized answer key prepared for inspections by Kam Long Industrial Co., Ltd.

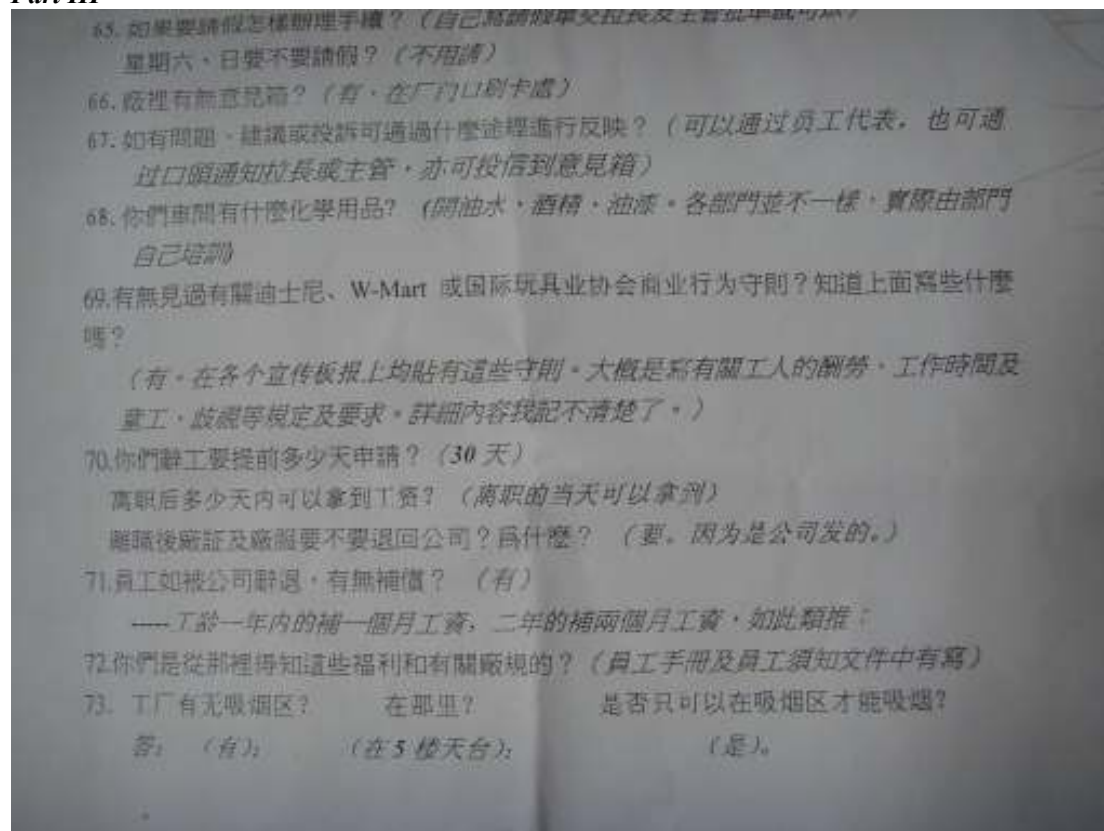
Part I

1. 什麼時候入廠? (答:按錄入日期)
 2. 入廠時有無收壓金? (答:沒有)
 3. 你的出生日期是什麼時候? 家乡地址在那里? (按身份证上的資料回答)
 4. 入廠時有否廠規、守則或須知文件給你們參閱? (答:有·員工手冊)
 5. 有無員工手冊發給你們? (答:有·放在住的地方)
 6. 你入廠時有否給予培訓試用期? (答:有·一個月)
 7. 培訓了些什麼? (答:廠規·工作時間·消防安全·生產安全等)
 8. 培訓期工資待遇怎樣計算? (答:計廠工 33 元/天, 即是 4.13 元/小時)
 9. 培訓後工資又怎樣計? (答:廠工 34 元/天, 即 4.25 元/小時)
 10. 勞動法規定現時最低工資是多少? (答:684 元)
 11. 廠方有否宿舍、伙食提供? (答:沒有·自己到傍邊的宿舍樓搭食搭住; 如員工是在外租房的則應答:自己在外租房及煮食)
 12. 每月開多少天工? (答:每周五天·但通常星期六白天也會加班, 星期天都是休息的)
 13. 星期六開工怎樣計工資? (答:雙倍計算)
 14. 有沒有加班? (答:①有, 一班制的答星期一至星期五每晚加班 1 小時, 星期六上午加班 4 小時; 三班制的答星期六白天加班 8 小時。
②从 7 月 1 日起調整為: 星期一至星期五晚上加班 2 小時; 星期六白天加班 8 小時)
- 是否自願加班? (是)

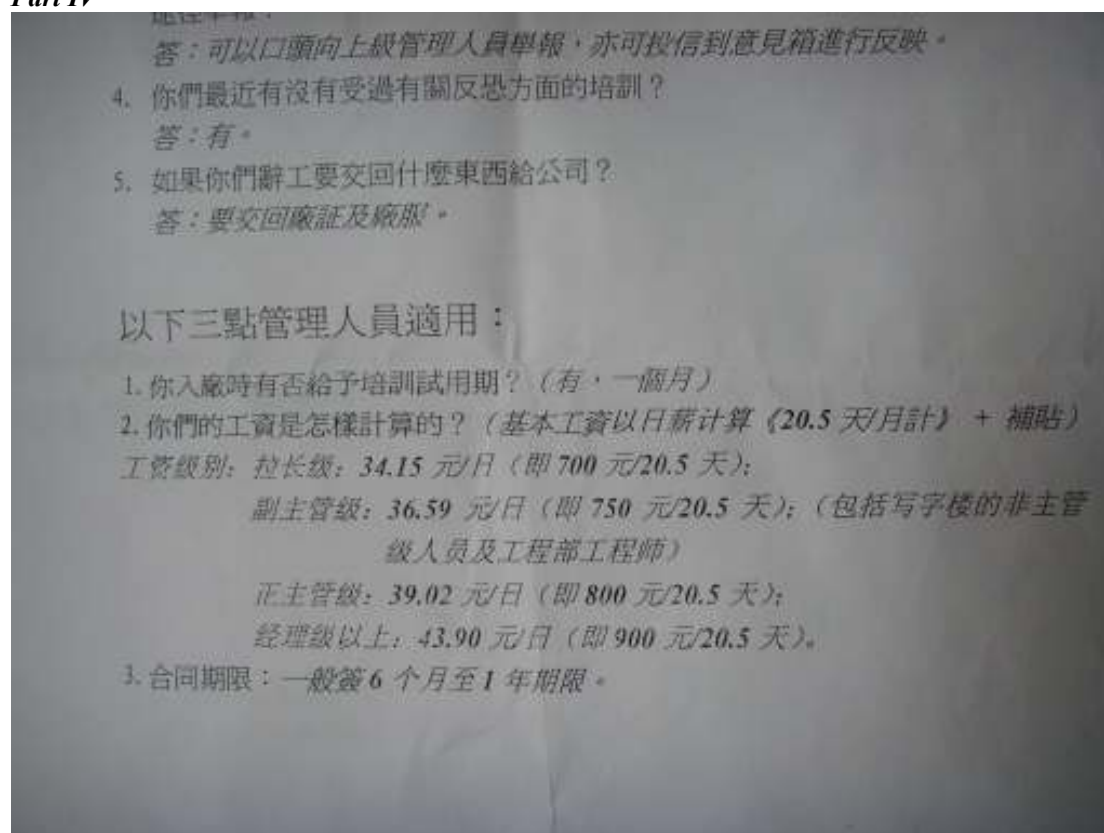
Part II

40. 車間有沒有樂福? (答:有)
41. 你們工廠名叫什麼? (答:蓋隆公司)
42. 你們工廠這麼少人上班, 其他人是不是今天都放假了? (答:沒有·就是這麼多人)
43. 你廠有幾層樓? (答:5 層)
44. 你廠有哪幾個部門? (答:壓模, 吹氣, 擦膠, 上色, 裝配, 維修, 工程, QC, 倉庫)
45. 有無強迫轉換工種? (答:無)
46. 可否轉換工種? (答:可以)
47. 你們可否聽電話? (答:急事可以·如是一般事情則隻可轉達留言)
48. 知不知道我們今天來驗廠, 是否在培訓你們? (答:不知道·沒有)
49. 有沒有房租津貼補給你們? (答:沒有)
50. 工會負責人是誰? 工會的作用是什麼? 有困難找誰解決? 工會在那裡辦公?
答:(張俊軒) (幫我們工人解決問題) (張俊軒) (五樓)
你是否參加工會? (有參加的答:有, 沒有參加的答:沒有)
51. 工廠有無跟你們簽勞動合同? (答:有);
52. 合同期限多長? (答:一般簽 6 個月, 具體按合同上签订的期限回答);
53. 合同上簽訂的工資是多少? (工人答:34 元/日);
54. 你們手上是否也有一份? (答:有·放在住的地方)
55. 合同上有那些內容? (合同期限·工作內容·工作時間·工資支付·勞動保護及條件等)
56. 入廠時有無體檢? 每年有無進行一次體檢? 體檢是否自己出錢?
(有) (有) (公司出錢)
有無健康証? 可否拿來看看? 如果體檢出來有孕是否錄用?

Part III



Part IV



Appendix III

A Letter sent by *Tai Qiang* workers to the Wal-Mart Inc. dated 21 April 2005

請求信

致沃爾瑪公司勞工人權部：

我們是貴公司屬下一家加工廠的工人，由於本廠管理制度不完善，以致工人業餘生活過於狹窄，工廠的生產力降低，產品質量下降，工人流失率過高。

2004 年底，我們本著「以家為廠」的宗旨，豐富大家的業餘生活，提高同事們的工作積極性，增強工人在廠裡的歸屬感。

我們自發成立了「愛心小組」，經過小組成員利用業餘時間收集圖書，自願捐錢買了一些文具和報刊、娛樂用品等。在我們無私奉獻的精神帶動下，終於成立了「愛心小組活動中心」。於是我們更加努力的付出，得到同事們的高度讚揚。我們欣喜之餘，不由擔憂，因為愛心小組在不斷成長，使我們的運作出現困難，如經費、人力、物力及工廠制度的不完善等因素，並受法律的局限。同時為了更好的為工人與工廠搭起一座溝通的橋樑，平衡雙方的勞資關係，協商談判解決問題的平台，我們決定依照《中華人民共和國工會法》成立工會。

2005 年 4 月 4 日，我們在 200 多工人的簽名支持下，選出籌備小組名單，並於 4 月 5 日上午把籌備委員名單呈報給上級工會領導，同時回到工廠，找到行政主管協商組建工會之事。我們卻遭到公司無理拒絕，協商談判無果，還遭到廠方打擊報復。

公司不但不支持組建工會還查封了已經成立了 4 個月的愛心小組，並威迫支持過我們並為我們簽名的工人，要他們書面寫出是我們騙了大家簽名的。工廠此種做法與行為讓我們感到很失望，無奈之下，我們多次去上級工會反映情況。上級工會來人處理了，但廠方口頭簽應之後，更加加大打擊報復我們。

2005 年 4 月 18 日，廠裡宣佈解僱籌備小組 3 位籌備委員，並下令讓保安趕我們三位籌備委員出廠。3 位委員被迫上宿舍樓頂，差點被迫的跳下 8 樓。這一事件引起很大反應，全廠員工都為我們

鳴不平。警察和消防隊人員也來了，並批評廠裡的不對。上級總工會聞訊來人處理此事，我們三方(工人、廠方、地方工會)在居委會的會議室協商談判約 2 小時，最後廠方同意不解僱三位籌備委員，並和廠方委派的人員一併籌備新的籌備小組。組長由廠方派的人擔任，廠方和工人各選出三名代表，但當時未有確定人選。我們也寫了檢討書承認跳樓事件的不對，保證以後不再犯錯；廠方也表示只要我們回廠安心工作，不會把我們無故的解僱。

但第二天我們的成員(小熊)回到裝配部上班，卻被保安趕出廠且直接解聘了他。我們不服，廠方不能食言，強行無理的將我們解僱。我們是爲了成立工人自己的工會，才遭到工廠的打擊報復，難道讓我們眼睜睜看著廠裡成立「牌子工會」嗎？讓全廠的工人從水深火熱之中解脫出來是我們不可推卸的責任。

現在工廠此種不尊重工人的行爲，已經是嚴重的違反了《中華人民共和國工會法》第一章第三條，也違反貴公司企業社會責任準則及生產行爲守則，嚴重侵害了工人的權益，打擊了工人的工作積極性。由於我們工廠是貴公司所屬的加工廠，爲了維護貴公司在國際的名譽和形象，我們代表全廠同事請求貴公司及時協助我們與工廠重新搭起一座溝通的橋樑，幫助我們成立一個工人自己的工會，完善公司的管理制度，建立一個完美和協的「工人之家」。

附工會籌備成員名單：

(8 位工人的簽名)

聯繫電話：

(2 位工人的資料)

以上呈訴句句屬實，急盼貴公司詳查！

公司名稱：泰強製品廠

公司地址：深圳市寶安區西鄉鎮三圍村

公司電話：0755 - 2747 6228

註：我們工人工會籌備小組成員小熊於 2005 年 4 月 15 日下午被公司誣陷偷廠方資料被抓到當地派出所拘留 16 小時。

2005 - 4 - 21

About SACOM

Students and Scholars against Corporate Misbehavior (SACOM) is a Hong Kong-based nonprofit organization founded in June 2005. SACOM originated from a students' movement devoted to improving the labor conditions of cleaning workers and security guards under the universities' outsourcing policy. The movements have created an opportunity for students to engage in local and international labor issues. SACOM aims at bringing concerned students, scholars, labor activists, and consumers together to monitor corporate behavior and to advocate for workers' rights.

Selected research reports and articles of SACOM are downloadable online:

1. *Looking for Mickey Mouse's Conscience: A Survey of the Working Conditions of Disney's Supplier Factories in China* (August 2005);
2. *'A World without Strangers' – A Report of the Working Conditions of Giordano Subsidiaries and Suppliers in China* (December 2005) [Giordano, Disney's licensee in apparel for children, men and women];
3. *Chinese Migrant Workers in Action: Bringing Wal-Mart to Global Corporate Responsibility* (Fall 2005) [this article is also available from *Social Policy: Organizing for Social and Economic Justice* at www.socialpolicy.org];
4. *Resistance, Collective Actions, and Labor Organizing* (Fall 2006) [this article is also available in German, "Kein Bleiberecht: Arbeitsmigrantinnen in Südchina," *Frauensolidarität (Solidarity among Women)* at www.frauensolidaritaet.org];
5. *Making Mobile Phones in South China: An Investigative Report on Labor Conditions of the Electronics Industry* (August 2006);
6. *Clean up your Computer Campaign: A Report of the Working Conditions of 13 Computer Supplier Factories in China* (November 2006 [in Chinese]); see the in-depth case study of Yonghong Electronics in English at SACOM www.sacom.hk and Business & Human Rights Resource Centre for a summary www.business-humanrights.org);
7. *A Second Attempt at Looking for Mickey Mouse's Conscience: A Survey of the Working Conditions of Disney's Supplier Factories in China* (December 2006).

Jenny CHAN

Chief Coordinator

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