Domination of World’s Leading Retailer

Wal-Mart, “Save Money, Live better”; Workers’ nightmare
Hantai Shoe Production Ltd.

Basic Facts

- Factory Name: Hantai Shoe Production Ltd.
- Address: Songgan Town, Dongfanwu Gan Industrial District, Bao’an District, Shenzhen City, Guangdong Province (中国广东省深圳市宝安区松岗镇东方雾岗工业区)
- Contact Number: 0086 755 29712345
- Legal Person: Zheng Li, He
- Number of Workers: 5,000 with a male to female ratio of 4:6
- Product: Shoes
- Primary client: Wal-Mart

In 2007, Hantai relocated from Fuyong Town to its current location. According to workers, at
least 80 percent of the factory’s production is for Wal-Mart.

**Hiring Practice and Contract**

A contract is offered to sign immediately after employment, and workers are able to retain a copy. The format of the contract agreement is issued by Bao’an District’s local labor bureau, and the details include:

1. Contract duration: All Hantai workers’ contracts last one year, with a one month probationary period for new workers.

2. Work post details and location: Regarding this subject, Hantai asks workers to write, “I will work accordingly to employer’s arrangement and adjustment,” thus causing workers to be uncertain of their specific role in the factory.

3. Work hours and rest days: The agreement requires workers’ regular work hours to consist of eight hours a day, with each work week not exceeding 40 regular work hours, and there is at least one rest day a week. Adequate overtime pay is required when overtime takes place. Moreover, workers have the legal rights to marriage, maternal, and mourning periods, though it is not confirmed whether these off days are paid.

4. Wage: The agreement states that the monthly base wage is 750 RMB, thus 34.48 RMB per day under the legal work day calculation of 21.75 days. Though the agreed wage distribution date is on the 7th of each month, Hantai asks workers to add, “I agree to extend the wage distribution date to the 12th of each month.” Under Chinese labor law, with the exception of special circumstance approved by the workers’ representatives or the workers’ union, the employer is responsible for paying its workers by the 7th of each month.

5. Insurance and Benefits: The agreement states that Hantai will provide workers pension, medical and work injury insurance.

6. Other: In the agreement, Hantai states, “quitting without employer’s consent leads to a fine equivalent to worker’s one month wage,” and “During the busy period, I agree to let my employer arrange overtime accordingly,” and has workers sign on the bottom. Such information can be described as when a worker’s resignation request is rejected by Hantai management, not only he or she would need to give up the right to receive wages owed by the factory, he or she would need to pay Hantai a fine equivalent to one month wage. With regards to overtime, Hantai’s intention is questionable, since the length of overtime is not specified.
Image: Worker ID acquired from a worker

Image: Applicants waiting to be interviewed
Work Hours

Work Schedule

<table>
<thead>
<tr>
<th>First Shift</th>
<th>Second Shift</th>
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</thead>
<tbody>
<tr>
<td>Morning</td>
<td>Morning 8:00AM ~ 12:00PM</td>
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<tr>
<td>7:40AM ~ 11:40PM</td>
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<tr>
<td>Break</td>
<td>Break 12:00PM ~ 1:30PM</td>
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<tr>
<td>11:40PM ~ 1:10PM</td>
<td>Afternoon 1:30PM ~ 5:30PM</td>
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<tr>
<td>Afternoon</td>
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<tr>
<td>1:10PM ~ 5:10PM</td>
<td>Overtime 6:20PM ~</td>
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<td>Overtime</td>
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<td>6:20PM ~</td>
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At Hantai, there are five work days a week and eight regular work hours each day. In terms of overtime, workers generally have to work until 11PM. However, Hantai only calculates the overtime until 22:50PM, and in addition, it requires workers to begin working ten minutes before the scheduled work hours. Workers thus work about 40 minutes without adequate compensation. Workers can make a request to the supervisor to not work overtime, but the request is generally rejected. Should a worker not work overtime without management permission, Hantai gives that worker a warning or gives the worker no overtime for that month, dramatically
decreasing the worker’s income.

Workers enjoy off days on weekends and legally required holidays.

**Wage, Insurance and Benefits**

Besides textile workers, workers are not required to pay a deposit upon employment. Textile workers are required to pay a 50 RMB deposit before employment to cover any possible damage the worker may cause at work. If a worker causes any damage or loss of any accessories on the textile machines at work post, Hantai will deduct the cost of damage or loss from the 50 RMB deposit. As for other posts, if workers damage or lose equipment, they will be responsible to pay for a new one.

Although the local law requires employers to provide work injury, medical insurance and pension to employees, according to the pay stub acquired from workers, Hantai only offers medical insurance. On the pay stub, 4 RMB/Month is listed under the deduction category. Since workers are not financially responsible for work injury insurance, it is not certain whether the factory purchases such insurance. In terms of pension, because it is optional and requires payment from workers, most workers do not apply.

**Living and Canteen Conditions**

There are four canteens installed on site, one is for managers and the other three are for workers. Each workers’ canteen has the capacity to accommodate 600 people, and each has ten drains and two windows for meal distribution. Since there are only two windows, workers usually have to wait about 20 minutes in order to get the food.

The canteen provides three meals a day, breakfast, lunch and dinner. Breakfast consists of buns, noodles, congee and etc., and workers have the option of choosing one item. Lunch and dinner consist of beans, bean sprouts, cabbage, carrots, pork skin and bones and etc. Three meals cost 6 RMB per day, and each month workers pay about 180 RMB. According to factory regulation, only
workers who live offsite can choose not to dine in the factory canteen, though workers who wish to live offsite need to be married and provide a copy of the marriage certificate. In other words, all workers living onsite are required to pay the 180 RMB meal fee each month.

According to workers, factory canteens have poor sanitation. One can often see leftovers and waste water on the floor, and canteen workers usually don’t wear gloves or masks when distributing food. The color of rice is yellow and has an indescribable smell, and in the water where vegetable are boiled, one can often find sand. In addition, all interviewed workers complained about the small quantity of food.

Due to canteen’s small size, many workers do not have a place to sit, and many of them have to stand while eating. Although a ventilation system is installed in the canteens, the air inside the building remains stuffy.

There are eight dormitory buildings installed onsite, with each building consisting of five floors, and each floor consisting of approximately 16 rooms. While most rooms house eight workers, there are a few rooms that house ten. In each room there is an independent shower room, restroom and balcony. Since no electrical board is installed in the room, workers would have to recharge batteries in a room that is solely for the purpose of battery charging. Theft occurs frequently in the dormitory due to lack of security. In addition, workers are financially responsible for the dormitory’s cleaning equipment.

Under such condition, Hantai charges workers 65 RMB per month.
Work Conditions

A total of four work buildings are built on site, each building consisting of three stories. There is a total of 12 workshops for textiles, shaping, molding, bottom processing, processing, cutting and
etc. The sewing department consists of approximately 1,200 workers, and there are about 1,000 in molding and 600 in processing. All three departments have a night shift and the number of workers above is the number of workers in the day shift. There are 600 workers in cutting and bottom processing departments.

In order to reach production deadlines and meet clients’ needs, Hantai sets quotas for each production line. For instance, Hantai requires a production line of 130 workers to produce 500 pairs of Wal-Mart children shoes every hour. If the quota is not reached, workers are asked to work overtime without overtime premium. In the past, Hantai arranged a post for shoelace tracing. Since the factory calculates wages by the workshop operating hours instead of individual hours, it recently suspended the post and requires all workers to trace shoelaces for thirty minutes three times a week without overtime pay.

Moreover, many workers, due to their posts on production lines, are not allowed to use the bathroom or drink water during operation hours.

At Hantai, it is extremely difficult for workers to ask for sick days. Requesting for a sick day requires the medical statement from the hospital in advance. However, it is an issue because workers are not allowed to go to the hospital for treatment without Hantai management’s permission.

**Work Safety**

Upon recruitment, workers are required to participate in a half hour safety training session. The training is presented in video format.

Factory machinery is checked and maintained occasionally, and a technician begins maintenance only when a problem occurs. Hantai distributes safety equipment such as cotton gloves and disposable masks to workers depending on work post necessity. Though fans are installed in each workshop, workers often complain about the high temperature at work.

Many hidden risks exist at the workshops in Hantai. For instance, workers who are required to use glue at work can often smell the stinging reek and experience discomfort in their lungs. Due to lack of training, workers are unaware of the glue’s chemical composition or possible risk. In addition, work injury occurs frequently, especially at workshops with shaping compressors. Because of long work hours, workers often become uncoordinated and injure their hands when operating such compressors.

There are two emergency exits in each workshop, though the exits’ hallways are often stacked with different objects, creating an evacuation concern.

First aid boxes are available in workshops, and workers are able to receive aid for minor injuries. An onsite clinic also provides free care to workers for work related injuries.

**Other Conditions**

Hantai management punishes workers who come to work late in different ways such as withholding overtime work for one week or physical punishment involving receiving a lecture while standing. If mistake is made at work, one could face physical violence.
Security guards conduct body searches. Bringing cigarettes or lighters to work is prohibited at Hantai, and if either object is found, one will be fined 100 RMB and fired.

Security guards often attack workers physically at the workshop, canteen, dormitory and etc. On April 16th, security guards physically abused an applicant coming for an interview for an unknown reason. The police was not called until after the applicant was lying on the ground though the result was unknown.

While two complaint boxes are installed, at a canteen and the office entrance, workers expressed that they are useless.

A union is established at Hantai, the union chair is a Taiwanese manager. However, there is no workers’ committee, workers’ representatives are not elected by workers, and the union has never held any events or protected workers’ rights. According to workers, the union is merely to pass the clients’ audits.

On April 21st, the factory posted a list of Wal-Mart regulations onsite because it was told that Wal-Mart will be conducting an audit that day.