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Wage, Insurance Violations Persist at Yiuwah Factory: Follow-Up Investigation

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1. Factory Profile

Dongguan Wang Niu Tun Yiuwah Stationary Factory does color printing, binding and produces greeting card sets, packaging, colored boxes, handbags, notebooks, telephone address books, paper gift boxes, stationary sets, books, calendars, advertising posters, trademarks cards, photo frames, photo albums and POLY-based crafts. The factory is a medium sized, Hong Kong-invested enterprises founded in 1987. Products are exported to the United States , Canada , Germany , Belgium , Australia , Japan , Europe, and Southeast Asia .

The factory employs over 1,000 employees.

2. Recruitment Requirements

The factory requires valid ID cards. The factory will take IDs from newly hired workers for inspection and retain them for one week. There is no medical examination and no training before direct assignment to a post. There is no age restriction, and there are many underage (16-17 year old) workers in the factory.

3. Labor Contract

All newly hired workers sign a labor contract, which is signed once per year with a three month probationary period. In order to end their contract in the probationary period or after, all workers must provide 1 month notice and apply to leave.

4. Wages and Working Hours

Factory regulations state that workers rest one day per week, but during weeks when workers must catch up on products there will be no rest. The factory divides workers into two shifts, with 8 hour working days. The daytime shift workers from 8 am-noon, 1:30-5:30 pm, with 1.5 hours for lunch and rest. The night shift works from 8:30 pm- 5:00 am, with rest from 11:30 pm-midnight. Normally, there are 2 hours of overtime.

Workers salaries' are around \$147/month on average. The factory pays on an hourly wage system, and wages include base salary plus overtime wages. The base salary is \$113/month. Overtime wages are fixed at \$0.71/hour and there is no difference for regular, weekend and holiday overtime. Dongguan City Law states that overtime minimum wage is \$0.96/hour for regular overtime, \$1.29/hour for weekend overtime and \$1.93/hour for holiday overtime.

5. Dormitory and Canteen

The factory does not collect dormitory fees, and workers split utility costs which amount to about \$1.47/month each. Housing in the worker dorm can hold 14 people per room, and currently, there are about 11 people per room. There are two iron-framed fans in each room. Attached to each room is bathroom. However, there are some bathrooms that have had clogged toilets for a long period of time, and the factory has not sent anyone to fix this

problem.

Canteen fees are \$0.29/meal. At the beginning of each month, workers must decide if they will eat in the cafeteria, and workers must submit an application to eat outside the factory or else the cafeteria fees will still be deducted from their wages. Rice is unlimited and workers can eat their fill. There are two choices of dishes and no meat, and vegetables are boiled. There is also a free soup provided, and workers must scoop the soup themselves out of a communal pot. Many workers prefer to eat outside the factory for \$0.59/meal. Although this stir-fried food also has no meat, at least there is more oil and the taste is better than canteen food.

6. Production Safety

The factory now provides safety training for workers who operate machines, but the training consists merely of providing workers with a few pages of materials, and the handwriting is blurry. The section leader gives a basic explanation, and asks workers to pay attention to a few issues. Many workers do not take the training seriously and throw away the materials or stash them under their beds after the training is complete. Assembly workers get no safety training, and older workers explain their work. Workers are given uniforms after one month for \$3/set. Workers operating machinery are provided with gloves but no masks.

Fire prevention equipment on the path between the workshop and dormitory is new, and has a stamp stating it was inspected in September.

7. Social Insurance

The factory does not purchase worker injury or medical insurance for newly hired workers, nor does it purchase commercial insurance. If newly hired workers have a work-related injury, the factory has a first aid clinic that provides basic medicine. Larger injuries are also handled within the factory, and the factory pays medical fees and minimum wage. If newly hired workers wish to purchase social insurance, they must wait for old workers to retire before they are able to buy it. Some workers had already worked for 2 years and still could not purchase it. Older workers who have insurance have \$14 deducted from wages each month. Workers who operate machinery have worker injury insurance. Each month \$2.50 is deducted from their wages. In the event of worker injury, the insurance company will pay compensation.

8 Other

The factory has no entertainment activities and workers lead boring lives in terms of recreation. Across from the factory is the Chi Jiao village market, and villagers and workers gather together to play mahjong and gamble. Some workers lose an entire month's salary in one night with these activities. Behind the factory is a small pond, and on rest days workers will fish and swim there.

Note: After Liu Pan's death, Yiuwah closed its main entrance. Workers and vehicles now enter through the back door. The factory has paid more attention to production safety, but this work is insufficient. There has also been no significant improvement to worker treatment.

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