Child laborers in Chinese supplier factories for American companies

Table of Content

Executive Summary
Ningbo Lucky Crafts Co
Hangzhou Ownseas Pen Co.
Dongguan Fuxiang Gar Ltd. Investigation Report

Child labor is a serious issue that continues to plague the Chinese apparel industry. China Labor Watch has documented the widespread use of child labor among manufacturers supply American-based retail stores, including Target, with manufactured goods.

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

The Ningbo Lucky Craft factory is a typical child labor case because of the small size of the factory. These small, unregulated and workers have neither access to reliable institutions of redress nor effective legal enforcement. For these reasons, smaller unregulated factories are often the principle employers of child laborers. At the Ningbo factory, CLW investigators interviewed a 15-year-old girl, born in January 1996, who had already worked at the factory for a year. She was forced to work between 11 and 13 hours under the same working conditions as regular employees. Laborers in these factories are often employed under the same working conditions as regular employees. This practice goes directly against these multinational companies’ corporate responsibility and violates Chinese labor laws. When China Labor Watch contacted Target about these matters, we received no response from management. However, when China Labor Watch released pictures of Target labels on Dongguan B&N Industri...
immediately got in contact with China Labor Watch. At that time, Target admitted to having a business relation with Ningbo Lucky Craft Co., Ltd., but refuted any statement linking them with Hangzhou Ownseas Pen Co., Ltd. and the Ninnan plants, which would suggest that they still indirectly are dealing with these factories.

China Labor Watch has chosen to highlight these three factories in order to underscore the problem of child labor in China’s manufacturing industry. The following violations detailed below are the direct result of interviews conducted by China Labor Watch research staff. While these violations are truly serious, they are typical of the wide troubling state of China’s manufacturing industry. Instances of child labor and illegal labor practices are unfortunately typical of the wide-troubling state of China’s manufacturing industry.

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

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

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

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

- The factory openly employs underage laborers between the ages of 15 and 18 without labor contracts or identification documents. They work the same amount of hours and perform the same kind of tasks as regular workers.
- Newly hired factory workers are not provided with a health examination or factory uniforms.
- Most workers are paid a very low piece-rate wage that makes it impossible for them to earn a living wage, despite working excessive overtime hours.
- Workers are not paid a premium for overtime work.
- Workers work an average of 95 hours of overtime per month. It is not entirely clear how the factory keeps track of the overtime hours a worker performs per month.
- The factory does not provide workers with appropriate safety equipment. Employees were not wearing any protective garments in the factory workshops.
- Inside the factory workshops it is very hot, causing workers to feel dizzy.
- Factory dormitory rooms are generally of poor quality and contain no air cooling equipment.

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

- Suspected use of child labor and open recruitment of child laborers to work under the same conditions as regular workers.
- Workers are required to provide the factory with their personal medical history, specifically in regards to heart disease. This is a direct violation of Chinese labor laws and considered a discriminatory recruitment practice.
- There is no health examination or orientation training for newly hired factory workers. Factory workers are required to wear uniforms.
- The factory has not fulfilled its contract agreements with workers and has in many cases violated the stipulations and Chinese labor contract law.
- Factory managers confiscate workers’ ID cards every night and swipe them at 8:00 pm, while workers are working overtime shifts. Investigations uncovered that workers were performing an additional 3 to 4 hours of overtime work per week. These numbers seriously violate the legally permissible overtime hours workers are allowed to perform according to Chinese labor law.
- The factory has opaque wage and bonus systems. Workers are not sure how bonus wages are calculated.
- Individual worker assessment scores and the method for calculating these scores are never publicly released, factors that directly affect a worker’s monthly salary.
- The sanitary condition of dormitory rooms is very poor. Investigators recorded finding spider webs and debris in dormitory rooms.
- Safety protection equipment is irregularly distributed out to workers. Workers rarely use this equipment in workshops.
- There are no regular workshop janitors, so manufacturing debris and other trash pile up. The sanitary condition of bathrooms is poor.
- The factory had installed communication jamming equipment in the workshop to prevent workers from communicating during working hours. After workers reported this to the local labor bureau, the factory was fined 5,000 RMB (US$800) and was ordered to remove the jamming equipment immediately.

**Ningbo Lucky Crafts Co., Ltd.**

**Interview Dates:** 7/11-7/15/11  
**Investigation Methods:** Entering the factory and posing as workers, conducting interviews  
**Factory Population:** Over 200 people  
**Number of people interviewed:** 38 foam workshop workers, plant manager, plant vice president, workshop leaders, 12 trimming workshop workers, 8 packaging workshop workers  
**Manufactured Products:** foam toys, elastic rubber balls, pendants, plastic toys, mobile phone carriers, craft pendants, wind chimes, etc.  
**Main customers:** Target; BULLET LINE, INC.; CROWN PRODUCTS INC.; CLUB COLORS INC.; DIAMOND DIVERSIFIED INC; PLASTIC PACKAGING CORP.; INNOVATION LINE; KELLY INTERNATIONAL; PERFECT PROMOTIONAL PRODUCTS; PRIME CREATIONS, INC.; UM IMPORTS INC.; TARGET INDUSTRIES INC

**Factory Introduction**

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

**Address:** Ningbo City, Zhenhai District, Camel Industrial District, 288 Ji Rong St. 315200  
**Telephone:** 86-0574-86575202  
**Fax:** 86-0574-86575222
I. Recruitment and Registration

1. Recruitment

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

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

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

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

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

There are no health examinations or orientation training sessions for newly hired factory workers. Workers are the factory any form of monetary deposit.

Guidelines in the injection workshop state that if a veteran worker introduces a skilled new worker to the fact up working at the factory for at least five months, the factory will reward the veteran worker with 800 RMB (L worker introduces an unskilled worker who works at the factory for at least five months, the factory will awar $93). Veteran workers are allowed to introduce three workers at one time. If they all work for a total of five r gain multiple awards of 100 RMB (US $16) or more.

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

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

After working for one week, new workers are given two sets of uniforms. Workers are not required to accept c
workers want to keep the uniforms, they must work at least three months to cancel out any uniform deduction and have to pay 70 RMB (US $10.90).

Upon entering the factory, new workers must first go through a probationary period lasting between one week and one month to claim their back pay. A 17-year-old interviewed female worker stated that she had been working at the factory for one year in the packaging department and had previously tried to resign from the factory without success. She had to wait several months until finally gaining approval in mid-July.

2. Resignation

It is very easy for workers to gain employment at the factory, but very hard for them to resign. No matter when a worker actually went through it.

II. Labor Contracts

Workers sign a labor contract with the factory after working for at least one month. There are two copies of the contract: both the factory and worker receive one copy. Workers are required to bring their identification cards with them when signing the labor contract. The factory will make one copy of the worker’s identification card for factory records. The front page of the contract states a worker’s name, identification number, and home address. The middle section of the contract contains information regarding the terms of the labor contract, specific work content, work placement, work hours, social insurance, labor standards and protections, cancellation and termination of contract, and other stipulations. Workers are given the option of not signing the labor contract or buying social insurance. If they choose not to sign, they must sign a separate contract that relinquishes their rights to any protections or compensation offered in the labor contract.

When asked about the minimum wage rates for newly hired factory workers, neither factory workers, managers, nor the factory knew any specifics on the matter. They went on to say if you were able to work continuously for one month without taking any days off of work, you would be paid 1,310 RMB (US $203) per month. Both the factory manager and factory vice president had different answers regarding minimum wage standards. The factory manager said, “Workers are paid 6.5 RMB (US $1) per hour at the factory, and more than 3,000 RMB (US $469) per month.” The vice president of the factory said, “The factory has implemented a piece-rate and time-rate wage system. Workers in the workshop earn around 6.5 RMB per hour (US $1), in addition to [‘subsidies’ include work related awards, food subsidy, overtime subsidy, and an end-of-year subsidy], this ends up to 4,000 RMB per month.”

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

There are a number of workers at the factory who have been through multiple probationary periods. One such worker has gone through a probationary period last year at the factory, but had to leave the Lucky Craft factory due to personal matters. He returned to work at the factory this year and made an oral agreement with the factory manager that he would be employed for another six months. After working for more than a month at the factory, he signed a fixed labor contract with the factory. The contract came into effect after his signing. It is implicit in the contract that the previous probationary work period is not working in the factory. There are many workers like this inside the factory.

The factory has not fulfilled its contract agreements with workers and has in many cases violated Chinese contract laws.
III. Work Hours

1. Foam Workshop and Mold Washing Workshop Work Hours

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

**Foam Workshop and Mold Washing Workshop Work Hours:**

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

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

In the foam workshop, if workers need to go to the bathroom or get a drink of water, they must first find a fellow worker or their supervisor to replace them on the assembly line. If a worker exceeds 10 minutes in the bathroom or is frequently away from their assembly line, their supervisor and replacement will get very angry. Next time that person needs to go to the bathroom, there is a high possibility he or she will not be able to find a worker willing to act as his or her replacement. If a worker fails to find a replacement, he or she will be considered absent from work and have to pay a fine. If a worker exceeds 10 minutes in the bathroom, he or she will be fined 30 RMB (US $4.65). If a worker is absent for more than 8 hours, he or she will be fined 90 RMB (US $13.95).

2. Injection, Trimming, and Packaging Workshops Work Hours

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

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

Injection, trimming, and packaging workers have the options of not working overtime hours and arranging for replacement. Foam and mold washing workshop workers are required to work everyday until 9:00pm, with paid leave. If something comes up and they need to take time off, these workers are required to find the replacement on their own. If their supervisor is not willing to fill in for them, they are not allowed to leave. If a worker fails to find a replacement, he or she will be considered absent from work and have to pay a fine. If a worker is absent for more than 8 hours, he or she will be fined 30 RMB (US $4.65). If a worker is absent for more than 8 hours, he or she will be fined 90 RMB (US $13.95).

3. Attendance and Rest

Workshop supervisors are put in charge of recording attendance for new workers during their first month of employment. During the second month, workers begin to use an electronic factory card to keep a record of their attendance. Every workshop has an attendance form that the workshop supervisors are responsible for filling out. If workers use electronic attendance cards, they can fill in their attendance directly on the workshop attendance form.

Following the monthly distribution of wages, workers are given the subsequent Sunday off to rest. Workers receive paid leave during the month.
4. Production Guidelines

All three assembly lines in the foam workshop have specific production guidelines that workers are required to follow. Every assembly line must manufacture at least 30,000 products per day (unusable products do not count). Goods manufactured after the 30,000 mark will be calculated according to a piece-rate wage system set at 0.1 RMB per piece. If workers are not able to reach their quota of 30,000 pieces in one day, they will be deducted 0.05 RMB for each piece they do not manufacture (one-seventh of one US penny; in other words, the penalty for not making the quota is greater than the reward for exceeding the quota). The assembly line feels added pressure to fill the production quotas as a consequence of these stipulations. Workers stated that if the assembly machines on an assembly line of 15 workers (3 molders, 2 machine operators, 3 injectors, 1 mold operator, 3 product inspectors, 1 workshop supervisor) can manufacture 35,000 products on average per day.

IV. Salary and Benefits

1. Salary

Workers receive their previous month’s pay on the 20th of the following month. There are two methods for depositing it, either directly onto their bank cards or distributing cash. Workers are free to choose which option they prefer, but if they choose to have their salaries deposited on their bank cards, they are required to personally arrange these transfers. If a worker’s salary falls on a holiday, distribution will be delayed. On average, workers earn 2,600 to 2,700 RMB (US $400).

The salary for workers in every factory workshop, excluding the foam workshop, is calculated according to a time-rate plan. The salary for workers in the foam workshop is calculated according to a mixed time-rate and piece-rate wage system. The average hourly wage is 6.5 RMB per hour (US $1). The factory does not give workers wage slips when distributing salaries. Workers interviewed for this report were able to clearly state how their salaries were calculated. Workers were only given their salaries weekly. The factory distributes a 60 RMB (US $9) award for perfect attendance, dayshift workers receive 10 RMB (US $1.47) per day as a food stipend, and nightshift workers receive 12 RMB (US $1.87) per day as a food stipend. The factory does give workers a 600 RMB (US $93) end of year bonus after the completion of one year of work at the factory. The factory manager and vice president both gave unclear and vague responses about specific factory salary regulations.

2. Rewards

No matter if workers request personal leave, sick leave, marital leave, or maternity leave, the factory does not provide any paid leave. There is no annual paid leave, maternity leave, or marital leave. The factory does give workers a 600 RMB (US $93) end of year bonus after the completion of one year of work at the factory. The factory manager and vice president both gave unclear and vague responses about specific factory salary regulations.

V. Room and Board Conditions

1. Cafeteria Conditions

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V. Room and Board Conditions

1. Cafeteria Conditions

The factory has a cafeteria run by a female cook in her 50s or 60s. Workers stated that her stir fried dishes are delicious.
and that she does not wear a uniform or face mask when cooking. The stir fry dishes are mostly made up of vegetables. The cook stated, “If workers want to eat good food, they can make it themselves when they get off work to bring their own rice to meals, which they can cook in the factory cafeteria. Everyday, workers must come to eat rice for meals. Workers are also required to pay for meals themselves. The cafeteria’s vegetable dishes (bean and cucumber) each cost 1 RMB (US $0.16) per serving, while the meat dishes (fried egg with green onions, shrimp peppers, and small carp) cost between 2 and 8 RMB (US $0.31 and $1.24). The factory pays workers a daily food cost of $0.47. The meal prices are set by the cafeteria cook.

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

Workers are free to choose not to eat in the factory cafeteria and instead go to eat at a nearby restaurant. The fried vegetable dish at this restaurant is 6 RMB (US $0.93). If workers want to add rice to their meal, it is an additional 1 RMB (US $0.16). The lowest cost for a full meal is 7 RMB (US $1.10).

2. Living Conditions

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

The workers living in Baiyang village all rent rooms. The average monthly rent is more than 100 RMB (US $16). Rent in the village adjacent to the factory. Workers are required to put down a three-month rent deposit for their monthly rent is between 200 and 300 RMB (US $31 and $47). The average monthly utility fees for a married couple are between 20 and 30 RMB (US $3 and $5).

Many interviewed workers stated that prices for basic goods have risen sharply lately. At the most, they can only afford to buy enough food for one or three times a month. The monthly living costs, including rent, for one person is between 800 and 900 RMB (US $127 and $145). The monthly living costs, including rent, for a married couple and their child are more than 1000 RMB (US $155).

VI. Occupational Safety, Labor Protection, and Fire Safety

1. Occupational Safety

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

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

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

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

The machines operating inside the foam workshop are very noisy, so it is usually terribly loud in the foam workshop. The molding workshop is so loud that many workers suffer from permanent hearing damage. Work face to face with each other before they can clearly hear what is being said. The factory does not provide workers with ear plugs to give workers.

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

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

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

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

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

There is a bathroom on every floor of the factory workshops. There are only two toilets inside each bathroom, which fulfills the needs of workers.

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

3. Fire Safety

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

VII. Miscellaneous

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

The majority of Lucky Craft factory workers originate from Guizhou, Sichuan, Jiangsu, and Anhui provinces. Their understanding of law is not very high. They have little understanding of the implications of signing labor contracts, getting an occupational disease, etc. The majority of factory workers either do not sign labor contracts or buy social insurance, or give up both options voluntarily. Workers stated, “It does not matter if we sign a labor contract or not. We can choose to do the work, or we can leave. It is too much trouble to sign labor contract insurance.” An older worker went on to further say, “Our routine everyday is to eat, work, and sleep. After waking up, we eat a meal and then begin working again.”

Interviews with younger workers who were basically finished with middle school or high school revealed that they were not continuing their studies. Most of these young workers had come to Lucky Craft factory through their parents or friends who are already working in the factory.

Older factory workers stated that every year factory auditors come to inspect the factory. Usually they will prepare ahead of time for every inspection by notifying factory workers and giving them some training on what to say and how to act in front of the inspectors. Workers are made to quickly clean workshops and put items in a neat arrangement. The factory inspectors will select at random a number of workers to interview. They will ask how many hours they work per day, how many days they work per week, whether or not the factory provides workers with core-boards, whether or not the factory has workers sign labor contracts or buy social insurance, how much money they earn per month, and whether or not they have any coaching to help them improve their English language skills.
average in one month, whether or not the factory provides workers with safety equipment, along with other q sessions, the factory teaches workers how to respond properly to these questions. If workers answer these que the factory tells them to say, each worker will be rewarded with 30 RMB (US $5). If workers answer these que: thoughts, rather than what they were told to say, the factory will deduct money from their salaries. An inter previously been chosen for interviews with an inspector said, “We do not dare answer the questions incorrect bosses.”

Hangzhou Ownseas Pen Co., Ltd.

Investigation method: Interviews inside the plant

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

Interview dates: July, 2011

Factory Introduction:

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

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

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

I. Child and Student Laborers

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

Summer vacation child laborers, temporary child laborers, and student laborers are all required to work more the factory. Salary for these young workers is calculated according to a piece-rate wage system. Salaries vary corresponding price of the products being manufactured. In video 1, child laborers are receiving 0.008 RMB (01 for each printed product they produce. Child laborers can earn between 0.011 RMB and 0.005 RMB (US $.002 a printed products they produce. Through worker interviews, it was discovered that the highest price laborers c (US $.002) for sticking logos on pens. One student worker could produce 180 sticker printed pens in one hour. $.002) per pen, this student worker was collecting 2.7 RMB (US $0.42) per hour. Student workers often compl wage rate, but have no ability to change the situation.

II. Recruitment and Resignation

A. Recruitment

The factory seeks to recruit general assembly workers, primarily women, as well as printing staff to work in t July 18th, the factory has suspended recruitment in the printing workshop because it has been contracted out
When applying for work, workers are required to fill out a recruitment form and give the factory a copy of the documents. Because student workers are under 16 years old, the factory refuses to issue them any form of formal evidence of employment within the factory. According to our investigations, full-time employees are issued with cards to keep track of their working hours.

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

B. Resignation

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

III. Labor Contracts

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

IV. Work Hours

The factory currently implements the following work shifts:
- Morning: 7:30am-11:30am
- Afternoon: 1:00 pm-5:30pm
- Night: 6:30pm-9:00pm

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

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

V. Salary and Benefits

The average salary for a factory worker at Ownseas is around 2,220 RMB (US $344) per month. All factory management staff, are paid according to a piece-rate wage system. The price of each product manufactured varies greatly. Workers earn 0.008 RMB (one-tenth of one US penny) for each labeled pen produced, 0.005 RMB (US $.0005) for each single-print product produced, 0.008 RMB (US $.001) for each double-print product produced, and 0.011 RMB (US $.0011) for each triple-print product produced. A worker manufacturing triple-print products can produce between 6,000 and 7,000 labeled pens per 11-hour workday. If that same worker is manufacturing single-print products, he or she can produce around 20,000 labeled pens per 11-hour workday. When asked about overtime wages, workers were mostly at a loss for words.

An interviewed worker stated that only long-term employees at the factory are eligible for social insurance. Workers have no initiative to plead their case directly with the factory in hopes of purchasing social insurance, but it is not guaranteed that all requests will be met. All other interviewed workers simply stated that they had not purchased social insurance, but in the absence of specific need to purchase insurance, they can inquire with the factory’s personnel department.

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

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

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

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

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

VII. Room and Board Conditions

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

The factory provides workers with kitchens in which they can cook their own meals. If workers do not want to cook, they also have the option of purchasing set meals. Each set meal costs 4 RMB (US $0.62). Workers are required to bring it to the factory for the cafeteria staff to cook if they want to eat rice during their meals.

VIII. Miscellaneous

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

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

Factory Profile:

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

I. Recruitment

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

Workers are required to provide the factory with background information, a guarantee letter, and sign an intake agreement before beginning work at the factory. In the guarantee letter, workers are required to disclose their medical history, including any previous health issues.
information regarding hepatitis B, diabetes, and heart disease. The three-day internship period is a chance for the factory to assess workers’ skills and abilities. If workers are found to be unqualified for factory work or have provided the factory with fabricated identification documents and background information, they will be asked to leave. The factory provides room and board for internship candidates and an hourly wage of 6.32 RMB (US $.98). If workers are asked to leave, they are still allowed to obtain their due wages from the internship.

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

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

II. Labor Contract

Workers sign a three-year labor contract stipulating an additional three-month probationary period with the factory. Both the factory and worker keep a copy of the contract for their own records. Despite the contract’s stipulation, workers must give three days’ notice before resigning during the probationary period, workers are in fact required to give 30 days’ notice. After the probation period, workers are required to provide the factory with one month’s advance notice before resigning. Workers who leave the factory without notice are required to pay two months’ room and board fees.

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

III. Working Hours

Monday through Friday, workers are supposed to work shifts from 7:50 am to 11:50 am, 1:20 pm to 5:20 pm, and 7:50 pm to 11:50 pm. Saturdays, workers supposedly work from 7:50 am to 11:50 am. These shift schedules are arranged according to the factory’s regulations. These shift times are the hours recorded on workers’ factory ID cards. How supervisors collect workers’ ID cards every night and swipe them at 8:00 pm, while workers are still in the midst of working hours and, therefore, workers do not need to swipe their factory ID cards. Instead, workers are paid 1.5 times that of their regular wage. The factory categorizes this type of work as “contract work.” Contract work is term work projects done under contract. This is not entirely identical to the contractual relationship that all factory workers are in, and as such, allows the factory get around Chinese labor laws that call for employers to provide workers with days of rest every week and to pay two times the regular wage if workers work on Saturday or Sunday.

Investigations uncovered that workers were performing an additional 3 to 4 hours of work every day, and, during the summer season, an additional 5 to 6 hours of work. These numbers seriously violate the legally stipulated amount of overtime work allowed according to Chinese labor law.

In the workers’ dormitory building, there is a poster of the Employee Code, which clearly states in Article 2.6, “Workers shall carry out a maximum of 36 hours of overtime work in accordance with law.” It goes on to say that efficiency must be increased while maintaining important indexes of employee wages in the company. If an assembly line cannot meet its set production quota, workers on that line are required to work unpaid overtime until they are able to meet the production rate of production. The factory is allowed to perform according to the labor law.

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

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

Labor bonuses and factory violation fines are determined by a worker’s individual behavior in their dormitory. Each month piece-rate workers are required to provide the factory with a record of their daily production output and the price level to calculate their total salary. The time-rate wage system calculates a worker’s salary according to a fixed hourly rate.

The factory uses two wage systems to determine workers’ monthly salaries: a piece-rate wage system and a time-rate wage system. The piece-rate wage system is calculated according to a worker’s daily manufacturing output and the price level. Each month piece-rate workers are required to provide the factory with a record of their daily production output and the price level. Factory positions pay workers based on a mixed piece-rate and time-rate wage system.

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

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

There is a medical clinic on the factory grounds, as well as public drinking fountains. The factory does not have facilities to accommodate all of its workers. There is only one basketball court and one public television, which is available from 9:00 pm to 12:00 am for workers to enjoy.

V. Room and Board Conditions

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

Workers have the choice of eating at the cafeteria or getting their meals from other sources. If workers choose to eat at the cafeteria, a deduction of 50 RMB (US $7.75) per month is taken out of their monthly wages. A deduction of 120 RMB to 150 RMB (US $19 to $23.25) is taken out of their monthly wages. 120 RMB (US $19) affords workers one meat dish and one vegetable dish, while 150 RMB (US $23.25) allows workers two meat dishes and one vegetable dish.

VI. Working Conditions and Safety

The workshops have clearly marked emergency exits, first-aid kits, and medical staff ready to respond to an emergency. Regular workshop janitors however, so manufacturing debris and other trash pile up. The workshop bathrooms are not regularly cleaned.

Safety equipment is irregularly distributed out to workers. Even when safety equipment is available, workers may not use it in their manufacturing workshops. Due to the large number of experienced factory workers currently employed at the factory, any work-related accidents and injuries are rare.

VII. Disciplinary Regulations

The factory dormitory management has implemented a reward-and-punishment system to regulate workers’ behavior. Security guards inspect workers’ dormitory rooms. If the electric fan is kept on or if workers use electronic cigarettes, security guards inspect workers’ dormitory rooms.
violates factory regulations, workers will be fined 30 RMB (US $4.66). On the other hand, if security officials find and in good order, workers will be rewarded with extra pay.

**VIII. Miscellaneous**

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

At one time, the factory installed communication-jamming equipment in the workshop to prevent workers from working hours. After workers reported this to the local labor bureau, the factory was fined 5,000 RMB (US $775) and the jamming equipment immediately.