



## Statement on large strike at the Yue Yuen shoe factory

Monday, April 14, 2014

NEW YORK - Tens of thousands of workers at the Taiwanese-owned Yue Yuen shoe factory in Dongguan, one of the world's largest shoe manufacturing facilities, have gone on strike to protest unpaid social insurance and housing funds payments and improper labor contracts. Yue Yuan makes footwear most of the largest international shoe retailers, and this strike is likely one of the largest Chinese worker strikes in recent history.

Yue Yuen workers first went on strike on April 5, but the factory did not fully answer workers' demands. As a result, workers went on strike again today (April 14).

Unpaid and contested social insurance are problems that most manufacturing workers in China face. Among the more than 400 factory investigations that China Labor Watch (CLW) has conducted over the past decade, not one factory bought for its workers all of the social insurance items required by Chinese law.

The reasons for noncompliance with social insurance laws are multivariate.

First, workers have not always been willing to purchase insurance. When China's social insurance policies were first developed, accumulated insurance amounts could not be transferred across regions. For instance, a worker employed in Guangdong's manufacturing belt could not take her insurance back to Sichuan with her. Given that workers are required to pay into their insurance along with their employers, many workers were not willing to purchase social insurance if it meant that they could not transfer the insurance payments later. Eventually, the government revised social insurance policies, allowing workers to transfer accumulated social insurance payments to other regions. This has led to many workers' willingness to purchase insurance.

Second, local governments sometimes permit companies to not fully abide by social insurance regulations. For example, a local government might only demand that a company purchase insurance for a certain proportion of its employees or purchase insurance at a lower-than-normal rate. In this way, social insurance laws were not being enforced effectively or consistently.

Third, companies have not properly educated employees on social insurance policies. This has led to a great number of misunderstandings by employees as to their rights or duties in respects to social insurance.

The Yue Yuen strike represents a significant moment in which workers at the factory have realized their rights and interests and have acted collectively to demand that these be realized by the company. CLW calls on the company and government to carry out negotiation with Yue Yuen's workers. The demands raised by Yue Yuan workers reflect issues faced by most workers in China's manufacturing industry, and the resolution of this dispute will become an important precedent.

### UPDATE April 15, 2014

In follow-up investigation into the strike, workers provided CLW with a video of strikers marching toward the Dongguan city government to demand assistance. But en route to the government building, the peaceful marchers were suddenly rushed and physically disbanded by riot police, as the footage demonstrates:

[Chinese riot police physically attack peacefully protesting workers](#) 

Workers told CLW that they have a number of demands:

- (1) Yue Yuen should be transparent about all social insurance rates;
- (2) Yue Yuen must provide all social insurances and backpay these benefits according to law;
- (3) if Yue Yuen does not provide social insurance backpay, then workers should be able to terminate their labor contracts and receive monetary compensation;
- (4) some workers have never received free accommodations and meals despite their contracts stipulating this, and Yue Yuen should rectify this discrepancy.

Workers want to negotiate these demands with Yue Yuen management, but management have failed to even appear on the scene to talk to workers, much less negotiate. Workers are likely to continue the strike.

### UPDATE April 17, 2014

The Yue Yuen factory's management has told media that it will improve social benefits for workers beginning in May, but workers have not accepted the terms, and the strike is still in progress, including the participation of more than 30,000 workers. Workers are swiping their time cards but refusing to perform work. More than 1,000 riot police and security personnel surround the factory. According to multiple sources, a number of small conflicts occurred during the strike on April 16. A number of workers were injured and are currently being treated in a hospital.

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