FOR IMMEDIATE RELEASE

NEW YORK - After detaining seven labor activists for more than a month, on January 8 the Chinese government formally arrested four of the activists. Their names are Zeng Feiyang, Zhu Xiaomei, and Meng Han (all of the Panyu Workers Center), and He Xiaobo (of the Nanfeiyan Social Worker Center). Zeng, Zhu, and Meng have been arrested for “gathering crowds to disturb public order”, while He was arrested on the grounds of “embezzlement”. The activists have continually been denied their right to meet their lawyers.

China Labor Watch (CLW) strongly protests the Chinese government arresting these labor activists. This is an effort by the government to reduce space for activities of Chinese labor NGOs.

The activists were arrested in part for providing assistance to striking workers at the Lide Shoe Factory in 2014-15. The fundamental reason that workers at Lide went on strike is because the company failed to pay legally entitled benefits to workers for many years, accumulating massive arrears. Workers organized to negotiate and strike for backpay when the company prepared to relocate. Labor NGO staff assisted the workers in order to resolve the conflict according to legal regulations.

Based on recent interviews conducted by CLW with Lide workers, Lide manufacturers products for Calvin Klein (owned by PVH), Jimlar (owned by Li & Fung), Wolverine, and Stride Rite (owned by Wolverine). CLW sent letters to each of these companies on January 6, 2016, calling on them to communicate with Lide and the local government to secure the release of the detained labor activists. (The letter sent to Calvin Klein/PVH is included in the attachment below. Letters to other companies were similar.) As of this press release, only PVH has responded briefly to CLW to express that it will “look into it”.

Lide violated the rights of its workers for many years, from which Lide and the multinational companies supplying from them benefited the most. The implicated MNCs maximized profit by taking advantage of an environment in which workers’ right to organize is handicapped. The long-term violations also demonstrate the failure of these companies’ CSR and auditing systems, and in the case of Lide, a heavy price was paid by peaceful NGO staff who offered their assistance to the workers.

ATTACHMENT: January 6 letter from CLW to Calvin Klein/PVH

Dear Ms. Steiner [Melanie Steiner, Vice President of Risk at PVH],

Chinese authorities recently detained labor NGO staff in Guangzhou in part for their efforts in helping workers negotiate with management at Lide Shoe Factory in Panyu District of Guangzhou. According to Lide workers, the PVH brand Calvin Klein is produced at Lide.

In mid-2014, Lide workers noticed that factory management began shifting production and cutting workers’ overtime in order to lower workers’ wages and encourage resignation. The factory used this tactic because under Chinese law, an employer must provide severance pay when it terminates an employee. These measures were used in preparation for the relocation of production, announced to workers in August 2014.

The relocation concerned workers because for many years, the company had failed to provide legally entitled insurance benefits to its employees. Lide workers wanted to ensure that management would pay them all due compensation. Workers began consulting a number of labor rights NGO staff members in the region in order to improve negotiation tactics. Workers elected representatives among their group to negotiate on their behalf with management to secure compensation for benefit arrears. The factory responded by trying to force workers to sign altered labor contracts at the threat of being fired, leading to intensified resistance.

In December 2014, workers went on strike while representatives negotiated with Lide management. After a number of rounds of bargaining, the two sides reached an agreement, with the company agreeing to pay each worker a lump sum in compensation for past unpaid benefits. But the company delayed finalizing the payments for months, and in April 2015, workers went on strike again. This time, it brought Lide management to sign a compensation agreement.

In December 2015, a number of NGO personnel who assisted Lide workers were arrested for disturbing public order. They have subsequently been denied access to lawyers.
The fundamental reason for the Lide conflict was year after year of unpaid legally mandated benefits. The accumulated arrears created grave concern among workers that they would not receive all due remuneration for their labor when the company relocated. PVH’s code of conduct states claims that its supply chain contains “Employment relationships that respect and safeguard their legal rights” and that provide “Fair compensation and benefits”. But conditions at Lide have long contradicted PVH’s code, and workers were deprived of their fundamental labor rights. This in part exposes that the CSR measures of PVH and Calvin Klein lack effective and credible implementation.

What’s more, Lide management reported the labor NGOs to local authorities. Public security retaliated by arresting NGO staff and depriving them of their rights.

We call on PVH and Calvin Klein to immediately work with Lide and authorities to demand the release of all detained NGO personnel. Their efforts have contributed to a peaceful resolution of the conflict at Lide under law.

Sincerely,

Li Qiang
Executive Director, China Labor Watch

About China Labor Watch

Founded in 2000, China Labor Watch is an independent not-for-profit organization. For more than a decade, CLW has collaborated with labor organizations and the media to conduct in-depth assessments of factories in China that produce toys, bikes, shoes, furniture, clothing, and electronics for some of the world’s largest brand companies. CLW’s New York office creates reports from these investigations, educates the international community on supply chain labor issues, and pressures corporations to improve conditions for workers.

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