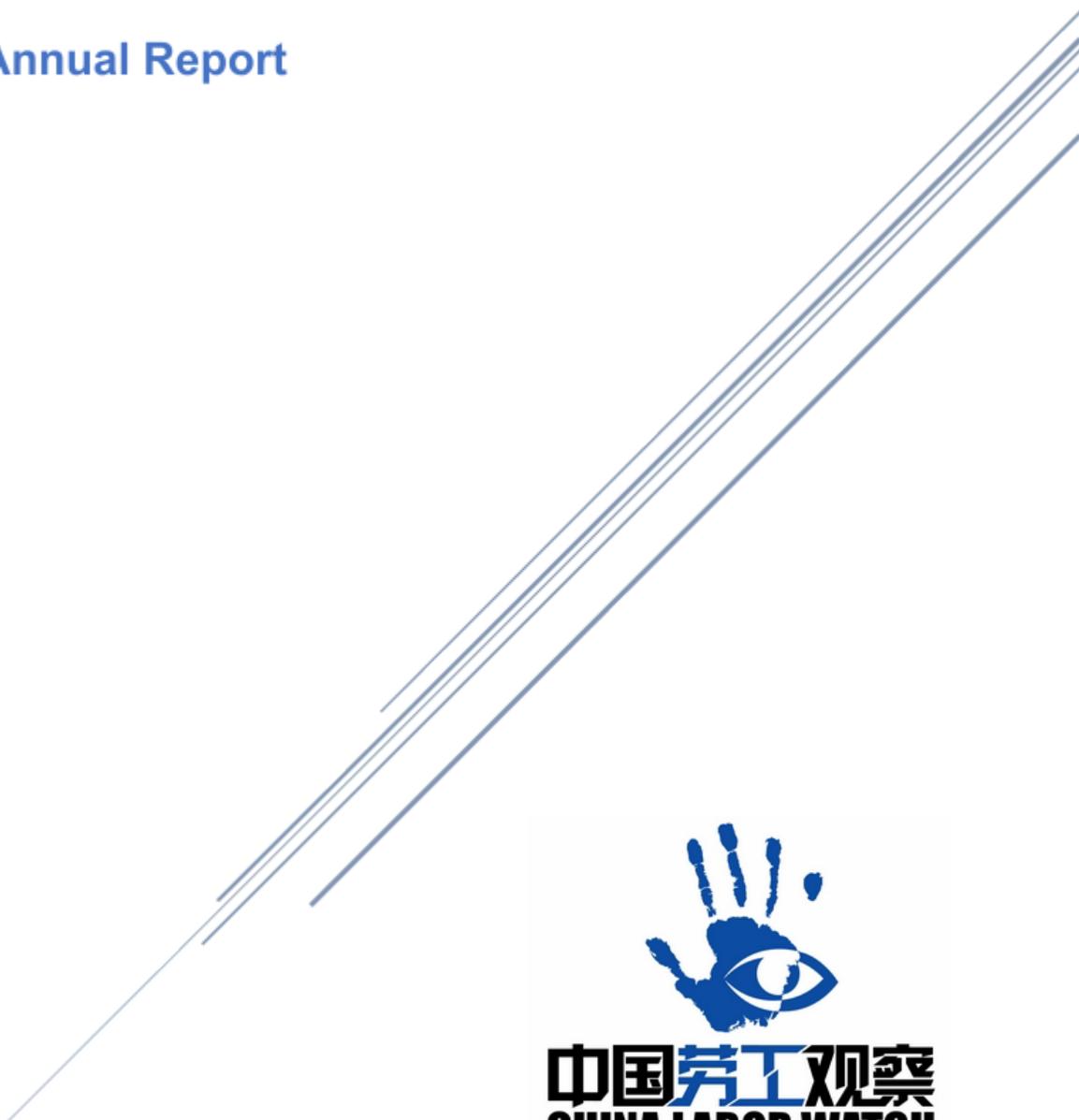


CHINA LABOR WATCH

2019 Annual Report



中国劳工观察
CHINA LABOR WATCH

2019 in Review

The Chinese government continued to crackdown on labor rights activists in 2019. The year started with the arrests of five prominent labor activists arrested. Several months later, three activists from the labor rights advocacy platform iLabour, were arrested for “picking quarrels and provoking trouble”. The three were known for their activism work for pneumoconiosis victims. In December, activists behind “Heart Sanitation” a public Wechat account advocating for the rights of sanitation workers, were detained for 15 days.

Despite these crackdowns, workers’ strikes and collection actions persisted in the year. Rights abuses remain prevalent in the manufacturing industry and this includes low wages, gruelling hours, lack of social insurance and inadequate labor protection. China’s economic slowdown has meant that local officials have placed a greater emphasis on economic development and ignored ongoing rights violations. Companies have also begun relocating factories inland and overseas where labor costs are cheaper, leading to workers being left with inadequate relocation compensation. Although more and more companies are exploring opportunities to relocate, especially amid the U.S.-China trade war, China remains the world’s manufacturing hub. The trade war has also led to many factories experiencing decreasing orders, with some workers struggling to find employment.

In 2019, China Labor Watch (CLW) conducted undercover investigations into a number of supplier factories. We found that rights abuses persist in these factories which mostly manufacture for some of the most profitable companies in the world such as Apple, Samsung, Disney and Hasbro.

Factory Investigations and Investigative Reports

Dongguan Dongwon

CLW received a complaint from a worker at Dongguan Dongwon Electronics regarding the working conditions at the factory. After receiving the complaint, CLW sent an undercover investigator into the factory to research the working conditions. The factory is a supplier for Huizhou Samsung Electronics, and manufactures mainly mobile phone chargers and car chargers.

The investigator found a number of rights violations including the lack of pre-job safety training, wages not cleared on the day of resignation as required by law, blank contracts, excessive overtime hours and temporary workers not receiving overtime pay.

Amazon Supplier Factory Hengyang Foxconn

CLW has investigated several Foxconn factories over the years. Foxconn is one of the largest electronics manufacturers and is also Apple’s major suppliers. In 2018, CLW did its first

investigation into an Amazon supplier factory: Hengyang Foxconn. The factory mainly manufactures Amazon products including the Kindle, Echo Dots and tablets. The investigation revealed that dispatch workers made up more than 40% of the workforce, and there were different working conditions between temporary and regular workers. After the findings were covered by the Guardian, Amazon stated they would address these issues.

In 2019, CLW received a number of internal documents from a whistleblower regarding the illegal practices at Hengyang Foxconn. The documents showed that interns were recruited into the factory and were forced to work night shifts and overtime which is in violation of labor laws. Workers were also putting in more hours this year whilst wages had decreased. The proportion of dispatch workers and interns employed at the factory was also above the legal limits of 10% of the workforce. Amazon said the company would work with Foxconn to investigate the allegations. Foxconn also subsequently admitted that the factory had illegally employed students.

Zhengzhou Foxconn

CLW released an investigation report on Zhengzhou Foxconn, the largest iPhone factory in the world. The investigation was conducted over four years. The factory employs student workers and dispatch workers. Student workers complete internships at the factory which are unrelated to their studies and must work overtime during peak production season. This is in violation of labor laws. Dispatch workers also made up around 50% of the workforce. Other rights violations at the factory include dispatch workers failing to receive their promised bonuses, excessive overtime hours and lack of protective equipment.

Apple publicly responded to the report, admitting that the percentage of dispatch workers exceeded their standards and they would be working with Foxconn to address the issue. However Apple also mentioned that many of the allegations in the report were false.

Toy Industry Investigation

Since 2000, CLW has released investigative reports on the working conditions in the toy industry. In 2019, in collaboration with Solidar Suisse, CI Romero and ActionAid France, CLW released a major toy report on five toy factories that manufacture for Disney, Hasbro, Mattel and Lego: Wah Tung (He Yuan) Toy Manufacturing Ltd. Co., Dongguan Kongxing Industry Co. Ltd., Foshan Nanhai Mattel Precision Diecasting Co. Ltd., Dongguan Wing Fai Foam Products Co. Ltd., and Everfront Plastic and Electronics Co., Ltd.

The report detailed a host of violations and also shed light on women's rights issues at the factories such as the lack of protection for pregnant women and paid maternity leave, gender discrimination for management positions and even sexual harassment cases. At one of the factories, female workers were regularly harassed and asked out by male colleagues. A worker mentioned that she was followed by two male workers who secretly took photos of her. There was also no access control between the male and female dormitories.

The ICTI Ethical Toy Program, a toy industry standard for ethical manufacturing, conducted a follow-up investigation after the release of our report. It was disappointing to see that the follow-up investigation did not find evidence to support the allegations in our report, especially with those pertaining to sexual harassment.

The investigations in 2019 reveal that multinational companies must do more to ensure they protect the rights and interests of workers. The working conditions fall short of companies' own codes of conduct, relevant local labor laws and international labor standards.

2019 Financials

REVENUES

Contributions and Grants	228,476
Interest Income	9

TOTAL REVENUES

228,485

EXPENSES

Program Expenses – China	60,416
Officer Salary	52,700
Office Salary	43,463
Payroll Tax and Benefits	
9,153	
Outside Services	7,500
Travel and Meals	11,987
Rent	28,458
Telephone and Internet	4,666
Office Supplies and Expenses	
3,092	
Accounting Fees	3,800
Insurance	27,702
Loss on Translation of Foreign Currency	
383	
Bank Service Charges	
246	

TOTAL EXPENSES

253,566

CHANGE IN NET ASSETS

(25,081)

NET ASSETS – January 1

34,977

NET ASSETS – December 31

9,896