

# **Dongguan (China), Yue Yuen shoe factory: 48,000 Adidas, Nike, Timberland strikers need your solidarity**

Saturday 26 April 2014, by [Collective / Multiple signers](#) (Date first published: 23 April 2014).

April 23, 2014 — *Labor Notes* — The strike at the Yue Yuen shoe factory in Dongguan, China, keeps growing. Now 48,000 workers have joined and local groups are calling for international solidarity.

Labour activists at the site, in touch directly with the workers, are asking supporters to target Adidas and Nike and demand they negotiate directly with the workers [[1](#)].

Yue Yuen, owned by Pou Chen Group, is the largest athletic shoe manufacturer in the world.

Workers began striking April 5 after finding out that the work contracts they had been signing with the company were fake, and that the company had been significantly underpaying their social insurance for nearly 20 years.

Some workers are preparing to retire and have been robbed of the social insurance funds they are legally entitled to. The total amount workers are owed in back pay from the underpayment has not been calculated—but at the very least it is in the millions.

Faced with the company's stubbornness and piecemeal offers, more and more workers have joined the strike—and it ballooned to include a solidarity strike by workers employed by the same company in neighboring Jiangxi province.

## **Heightened surveillance**

Despite heavy surveillance and cops stationed all around, workers remain in the industrial park. Communication continues through new and dispersed QQ (social media chat) groups, and in areas where workers naturally assemble: by the river, clocking in and out and at rest areas inside the plant.

Many of the worker activists and some reps have been arrested. It is unclear who has and hasn't been released. Zhang Zhiru and Lin Dong, both with the ChunFeng ("spring wind") worker centre, are among those whose whereabouts are unknown. They were instrumental in providing guidance and advice to workers about collective bargaining and formulating demands.

There are no formal worker representatives currently. The All-China Federation of Trade Unions has set up a working group and is doing an investigation in the factory, but the results are not expected to be made public.

Meanwhile, local groups are doing their best to communicate with workers and identify leaders—all very challenging with the heightened surveillance.

So far workers have rejected all management's proposals: a minimal wage increase, a housing allowance and a new social insurance payment scheme.

## **Solidarity requested**

Hong Kong groups closest to the action believe that, if the workers hold out, they can win by going after the source of power and money: the brands.

The groups are asking international supporters for two things:

- Pressure on Adidas and Nike. Letters from trade unions targeting these brands would be very helpful. Supporters also plan to leaflet customers outside Adidas stores in Taipei, Melbourne, London and several U.S. cities this week. Click [here](#) to locate a store near you and download leaflets. Here's info for an April 24 action in New York City [\[2\]](#).
- Solidarity messages encouraging workers to keep on with the strike. Consumers should take pictures with signs saying they support Yue Yuen workers. The best way to post solidarity messages and photos is to post them to your own Facebook page and using the hashtag #ChinaSolidarity. This will allow Hong Kong supporters to find them and forward them to workers' social media groups. If you're not on Facebook, email them to [teresac710@gmail.com](mailto:teresac710@gmail.com).

The goal is direct negotiations between the workers and the companies and brands, with some Hong Kong worker centre representatives sitting in as observers.

An open letter from nine labor groups declares, "Adidas, Nike, Timberland, you created this problem, now fix it!"

\* **Teresa Cheng** is a field organizer for the International Union League for Brand Responsibility. She just returned to the US after spending a year and a half studying Mandarin at Sun Yat-sen University in Guangdong, and has been in close touch with the groups in Hong Kong, China and Taiwan who are working on the Yue Yuen case.

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## Open letter to brands sourcing to Yue Yuen Dongguan China

23/04/2014

*Subject: Adidas, Nike, Timberland, you created this problem, now fix it! Pay workers social insurance now!*

To Adidas, Nike and Timberland

Hong Kong, 24 April 2014

Since 5 April 2014, workers from Yue Yuen Dongguan factory have gone on strike. Striker size flew up from 1,000 to 50,000 in only few days. Almost all factory workers have joined the strike. This shows the anger of workers towards government and the company has reached the limit. The dispute was triggered by the conspiracy between the Yue Yuen factory and the local government- The factory did not fully pay social insurance for the workers and the local government officials did

not observe this unlawful practice. Workers also discovered the work contracts they are holding are not legally valid. They request the factory to pay back pension and housing provident fund arrears payment, re-sign valid work contract and raise the wage.

Until today, there are almost 50,000 workers, including frontline workers and various ranking management staff, joining the strike. On 17 April, Mr. Liu, the director of Yue Yuen told us the total workforce in Yue Yuen Dongguan is 48,000. It means that the whole factory has gone on strike. On 18 April, there were reports about the strike expansion to Yue Yuen Jiangxi factory.

We agree with the worker's decision to blame Yue Yuen and government for the problem. It is because Yue Yuen has cheated on their social insurance payment to lower their production cost, and exploit their wages and benefit; the local officials failed to observe the company's illegal act and even assisted the company to exploit workers, in return to protect their tax income and corruption chances.

However, workers have ignored the role of international buyers in this dispute. Those buyers are much stronger and powerful. Yue Yuen supplies product for international big brands like Nike, Adidas, Reebok, Asics, New Balance, Puma, Converse, Salomon and Timberland. The workers have been producing shoes for these gigantic buyers and enterprises. They gain the biggest part of this huge profit and regard all workers in the supply chain as slaves!

According to reports, Yue Yuen is the biggest Chinese supplier to Adidas. Adidas and other international brands cannot ignore their corporate social responsibility in the labour dispute. It is because these international buyers claim that they hire third party auditors to ensure suppliers meeting their production standards and code of conduct, and to monitor the working condition and labour practice in their suppliers but they just never discover this malpractice over the years! Or, do they just ignore what they have seen in their suppliers? If it is the former, then auditing is just a public relation tool; if it is the latter, these brands and buyers are conspirators in this crime!

Therefore, we demand the international buyers of Yue Yuen should bear their corporate social responsibility.

They should not just confirm their suppliers in China to obey the local laws and regulations, paying workers social insurance; moreover, they should bear the responsibility with Yue Yuen to pay back all workers' pensions and housing provident fund in arrears, to protect the rights that workers deserve.

The followings are our suggestion:

1. Yue Yuen should pay social insurance immediately for workers according to the actual wages they earn.
2. Yue Yuen should also pay back the pensions in arrears over the years. All international buyers that buy orders from Yue Yuen should share the worker social insurance payment together with Yue Yuen.

Perhaps the brands would say this problem is made by the government officials and the company and they are "clean" from this. However, our experiences tell brands are responsible and they covered compensation:

1. In 1993, 87 female workers died and 47 injured in tragic fire broke out in Zhili Factory in Shenzhen. Through endless actions by Hong Kong and international labour groups, Chicco- the Italian toy brand compensated 1.2 million Hong Kong dollars for workers eventually;

2. In 2013, more than 1000 female garment workers died and more than 2400 injured in the disastrous Rana Plaza collapse in Bangladesh. Through the strong effort by international consumer and labour groups, dozens of the buyers agreed to pay back to victims.

We think that brands are responsible to help on the negotiation to release detained workers. Workers would not go on strike and got arrested if the buyers and factory did not commit this illegal practice. Therefore, Adidas and Yue Yuen should ensure all detained workers will be released immediately and would not be charged. There is a remarkable example in the past:

In 2004, strike broke out in two shoe factories (Xing'ang and XingXiong) of the Taiwanese-owned company Stella International in Dongguan. Eight workers were prosecuted to damage factory machines and were sentenced to imprisonment. After the protest and action towards brands by Hong Kong and international labour groups, those workers were released and some of them resumed their duties in the factory.

### **Petitioned by**

1. Globalization Monitor (GM)
2. Students and Scholars Against Corporate Misbehaviour (SACOM)
3. Worker Empowerment (WE)
4. Asia Monitor Resource Center (AMRC)
5. Labor Education and Service Network (LESN)
6. Labour Action China (LAC)
7. Neighbourhood and Workers Services Centre (NWSC)
8. Hong Kong Confederation of Trade Unions (HKCTU)
9. Swire Beverages (Hong Kong) Employees General Union
10. Catering and Hotels Industries Employees General Union
11. New World First Bus Company Staff Union
12. Retail, Commerce and Clothing Industries General Union
13. Cleaning Service Industry Workers Union
14. Coach Drivers Union
15. Union of Hong Kong Dockers
16. Vitasoy Employees Union
17. Hong Kong & Kowloon Life Guard's Union
18. Construction Site Workers General Union
19. Indonesian migrant workers union
20. league of Indonesian migrant workers
21. Workers Assistance Center, Inc. (Philippines)
22. Committee for Asian Women (Thailand)
23. War on want (UK)
24. Youth Labor Union 95, Taiwan
25. GSBI (Federation of Independent Trade Union)
26. Centre for Workers Education, NewDelhi
27. Sedane Labour Resource Centre (LIPS) Indonesia
28. Ecumenical Institute for Labor Education and Research, Inc. (EILER)
29. People Association (SPA), Taoyuan
30. Asia Floor Wage Alliance
31. Clean Clothes Campaign

last update on 10:00am April 25.

\* <http://www.globalmon.org.hk/content/open-letter-brands-sourcing-yue-yuen-dongguan-china>

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## Footnotes

[1] [http://www.union-league.org/take\\_action\\_yue\\_yuen](http://www.union-league.org/take_action_yue_yuen)

[2] <https://www.facebook.com/events/850524391631321/?ref=22>