

Congressional-Executive Commission on China
Hearing on:
Working Conditions and Worker Rights in China: Recent Developments
July 31, 2012

Testimony of
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China's Workers Stripped of their Rights and
Locked in a Race to the Bottom

I want to thank you for the opportunity to testify regarding worker rights before this important public hearing of the Congressional-Executive Commission on China.

I. As of 2008, phones are no longer made in America. The reason is simple. The mean hourly wage for telecommunications workers in the U.S. is \$16.85 an hour, which is 15 ½ times higher than what VTech pays its phone workers in China. VTech pays just \$1.09 an hour, which is well below subsistence level, and the workers have precious few if any legal rights.

VTech is the world's largest manufacturer of cordless phones and is the leading supplier of corded and cordless phones in North America. VTech produces goods for AT&T, Motorola, Philips, Deutsche Telekom and Telstra in Australia. Vtech, which makes 172,800 products a day, posted revenues of \$1.785 billion in fiscal year 2012.

What I hope to do today is to put a human face on the workers at VTech in China.

Suppose your daughter worked at VTech. She would work 12 to 15 hours a day, from 7:30 a.m. to 7:30 or 10:30 p.m., six and seven days a week. She would be at the factory 70 to 85 hours a week, while working 63 to 77 hours, including 23 to 37 hours of mandatory overtime. This would exceed China's legal limit on permissible overtime by 178 to 345 percent.

Your daughter would be forced to stand for the entire shift. Her feet would swell up.

The production line never stops. Every 11.25 seconds a circuit board moves down the assembly line and each worker must plug in four to five parts. The workers have to complete one operation every 2.25 to 2.8 seconds, producing up to 1,600 operations an hour, 17,600 operations during the 11-hour shift and 105,000 operations a week. The pace is furious, mind-numbing and exhausting. Workers who fail to reach their production goals are forced to keep working without pay until the goal is met.

Workers say they feel like they are in prison, as security guards patrol the lines as if they were police, sometime beating the workers. Workers are body-searched on the way in and out of the factory.

Bathroom breaks are strictly monitored. According to the workers, the factory cafeteria food is “*awful*.” Indeed, pictures smuggled out of the factory show coarse yellow rice and visibly rotten potatoes being served.

Eight workers are housed in each primitive dorm room. They sleep on narrow plywood bunk beds, often without mattresses. “*It’s filthy, like living in a pigsty*,” workers told us. To wash, workers must fetch hot water in small plastic buckets to splash on themselves.

Management hands out “**Employee Criminal Records**” to punish workers who make a mistake on the production line, which can lead to 29 hours wages being docked from their pay.

Workers are instructed to spy on one another. “*Those who report others’ mistakes would be rewarded monetarily.*”

One young woman told us: “*Sometimes I want to die. I work like hell every day for such a dull life. I can’t find a reason to live. Given that living is so tiring, seeking death might not be a silly thing!*”

After just one month of work, on December 27, 2009, a 20-year-old young man jumped to his death from his 6th floor dormitory. His supervisor had constantly scolded him.

On January 20, 2010, a young woman took an overdose of sleeping pills, as she could no longer stand the abuse.

Conditions are so miserable for the over 30,000 workers at VTech’s three factories in Dongguan, that 80 percent of them try to flee VTech each year. To keep the workers from fleeing, management withholds one month’s back wages, including overtime. Instead of being paid at the end of June, for example, VTech withholds June wages until July 31. Workers can leave when they want, but they will lose a full month’s wages.

VTech management also cheats their workers of the legal social security benefits due them, and in the process pockets millions of dollars owed the workers.

Since there is no avenue for the workers to voice their grievances publicly, they write down their hatred and anger on the bathroom walls.

The so-called All-China Federation of Trade Unions is moribund and does nothing to represent the workers or lead the workers to fight for their rights.

II. Some Good News – Improvements are being made at VTech

Most of the major customers at VTech—Philips, Motorola, Deutsche Telekom and Telstra in Australia—have conducted in-depth on-site audits over the last several weeks at VTech and have confirmed many of the serious violations the Institute documented.

VTech is now responding to the audit recommendations and is working on its remediation plan to improve working conditions at the company’s three plants in China. The corporate customers along with VTech are in agreement that concrete, positive changes must be made.

The **Sustainable Trade Initiative's Electronics Program**, which is funded by the government of the Netherlands, along with private partners Philips, Hewlett-Packard and Dell, is attempting to go beyond traditional audits. Their goal is to build worker capacity and involvement so as to improve worker-management communications in China's factories. Their belief is that only when a worker-management dialogue is in place can a company work on improving labor conditions. Philips has asked VTech to join the Sustainable Trade Initiative.

The United States Government and corporations should consider partnering with the Sustainable Trade Initiative.

III. Right now, throughout Guangdong Province, local Chinese Government authorities and police have launched a witch hunt to suppress independent labor rights NGOs.

Independent non-governmental labor rights organizations are being spied on. Local authorities are shutting down these NGOs, forcing them to leave, tearing up rental leases, while cutting off their water and electricity. After local government authorities visit the landlords, the NGOs find out they now have no lease and must move immediately.

We have always been aware that the Government of China has its own way of operating, which is often outside the margins of international law. But this is an ominous development, which will only further weaken and disenfranchise China's workers.

IV. A Human and Labour Rights Leader in China has requested that his statement be introduced at the hearings of the Congressional-Executive Commission on China

"The deprivation of the freedom of association severely infringes the basic freedom of the Chinese people, making the working class lose its ability to bargain with employers. This is beneficial for the government because they make production costs low and retain strong competitiveness in the world. This harms the rights of not only Chinese workers but also workers around the world.

"We think opposing the current autocratic regime in China and encouraging transformation toward democracy conform to the benefits of Chinese workers and all human beings. This we call upon all justice countries around the world, especially the United States, to oppose the Chinese Government—a government that suppresses a demand for democracy from its people. Ask the Chinese Government to protect human rights; grant its people freedom of association; let workers organize unions freely. In the meantime, [the U.S. Government] should boycott sweatshop products from China and broaden support for grassroots organizations in China and American organizations that deal with labor issues in China. We oppose sacrificing human rights in exchange of short-term economic gains. This is not only harmful for the improvements of working conditions in China but also unfavorable in terms of long-term interests for these countries. Also, [the U.S. Government] should pressure the Chinese Government to grant Chinese workers a right to strike, freedom for association and press freedom, letting Chinese workers freely express their demands."

V. Only enforceable laws, backed up by sanctions, can protect workers' legal rights and end the race to the bottom in the global economy.

On January 23, 2007, then-Senator Byron Dorgan of North Dakota along with 25 co-sponsors including Senators Sherrod Brown, Lindsey Graham and then-Senators Barak Obama, Joe Biden and Hillary Clinton, introduced the **Decent Working Conditions and Fair Competition Act (S. 367)** which when passed will amend the Tariff Act of 1930 to prohibit the import, export or sale of sweatshop goods in the U.S.

On April 23, 2007, Representatives Michael Michaud of Maine and Chris Smith of New Jersey, along with 175 co-sponsors introduced the companion bill (HR 1992) in the House.

I want to especially thank both the chairman of this Commission, Representative Chris Smith, and co-chair, Senator Sherrod Brown, for your leadership and commitment to **introduce the Decent Working Conditions and Fair Competition Act in 2007.**

Workers must have at least the same legal protections as are currently afforded to corporate products.

Seventy-five percent of Americans agree, according to a Harris Poll in June 2006.

"We keep hearing now, from just about everywhere, 'monitoring doesn't work,' said U.N. expert John Ruggie. 'Just about everybody, at least off the record, will tell you that monitoring of suppliers factories doesn't work because people cheat.'"

- Women's Wear Daily, June 4, 2009

Multinational corporations have demanded and won all sorts of laws in the global economy—intellectual property and copyright laws, backed up by sanctions—to defend their corporate trademarks and products. But there are no similar laws to protect the rights of the human beings who made the product. Indeed, corporations claim that extending protections similar to those currently afforded products to defend the rights of human beings would be **an impediment to free trade!** So, as things stand now in the global economy, the corporate trademark is protected, but not the rights of the worker.

The Decent Working Conditions and Fair Competition Act is largely based on the **Dog and Cat Protection Act of 2000**, which prohibits the import, export or sale of dog and cat fur in the U.S. The Dog and Cat Protection Act was passed in response to public outcry over the fact that the Burlington Coat Factory jackets were being made in China with dog and cat fur on the collars. The bill was passed by the House by an overwhelming 411 votes and was approved unanimously in the Senate. Congress has shown their commitment to animal rights with the passage of the Dog and Cat Protection Act. **It is time for us to let our Congress members know that we expect them to show equal commitment to human rights with the passage of the Decent Working Conditions and Fair Competition Act.**

Supplementary Materials

- 1.) “[VTech Sweatshop in China](#)”; AT&T, Motorola and Wal-Mart and others Endorse the China Model,” Institute, June 20, 2012
- 2.) Update/Response: “[VTech is Not ‘A Responsible and Caring Employer’](#),” Institute, July 12, 2012
- 3.) [Independent Worker Rights NGO’s under Attack in China](#), Institute, July 28, 2012
- 4.) “Decent Working Conditions and Fair Competition Act” to legally protect local and internationally recognized worker rights standards. (House Bill [HR 1992](#); Senate Bill [S.367](#))