

## 《东莞罢工英文报道》

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Tens of thousands of workers continued a weeklong strike on Tuesday over what they claimed were underpaid social security benefits by a major shoemaker in Dongguan, Guangdong province.

The protest sends out a warning to companies that rely on low wages and minimum welfare for workers amid an upgrading of the Chinese economy, analysts said.

The strike started on April 14 when workers learned that Yue Yuen Industrial Holdings had for years underpaid into their social security accounts - government-mandated insurance for health, retirement and unemployment.

Public information on the website of Pou Chen Group, the parent company of Yue Yuen in Taiwan, shows that the group produces more than 300 million pairs of shoes a year, accounting for 20 percent of the global market of sports and casual-wear shoes.

On Tuesday, factory worker Peng Xiaohui, 24, joined his colleagues on strike. He has been working for six years for Yue Yuen, which owns several factories in Dongguan making footwear for brands including Nike and Adidas.

Peng, who earns 3,500 yuan (\$565) a month, recently found out that the company allegedly understated his salary and paid less than required into his pension account. That means Peng will receive less money from the social insurance program after he retires.

Under Dongguan's social security regulations, employers must pay 11 percent of a worker's monthly income into the pension accounts. But Peng said Yue Yuen paid only 27 yuan into his pension account every month.

Peng and other workers on strike were also upset that most of them did not have housing funds, which were supposed to have been paid by the company.

A local social security official was quoted by Xinhua News Agency as saying that there are gaps in the social security system, with basically no verification of the amount supposed to be paid by employers.

Yue Yuen said on Monday it will fully pay into the workers' social insurance and housing funds, plus a monthly living subsidy of 230 yuan for every employee starting next month.

It also promised to make up for the unpaid social insurance benefits by the end of next year.

But on Tuesday afternoon, China Daily reporters saw workers still on strike.

The manufacturer has more than 100,000 employees on the Chinese mainland. Most of the workers in Guangdong, Hubei and Jiangxi provinces are on strike, a worker said.

But a Yue Yuen security worker said production remains interrupted.

Most workers that China Daily interviewed near the factory gate in Dongguan said they were not impressed by the remedies offered by Yue Yuen.

"I don't buy it," said Peng.

"The lease of the factory will end in May 2015. What if the company's owner chooses to close the factory and leave?"

Huang Zuowen, who has worked for Yue Yuen for 18 years, said he wants the company to be more transparent in its decision-making process.

An executive from a large footwear company in Dongguan who would not be named, said the strike at Yue Yuen shocked many local manufacturers.

He admitted that many labor-intensive companies fail to pay worker's social security in full, partly due to the huge operational pressure from rising labor costs and thin profits.

"And many workers choose to get cash instead of asking the company to put the money into their social security accounts, as they care less about the future."

Zhang Zhiru, a labor rights activist and director of the Shenzhen Chunfeng Labor Disputes Services Center, said the remedy plan failed to meet the expectations of workers.

A team of labor rights activists headed by Zhang talked with about 50 worker representatives on Monday night and they demanded that the company give a detailed plan to pay off the social insurance arrears.

They suggest, among other things, that the company should give every employee a 30 percent raise instead of a monthly subsidy of 230 yuan.

Wang Xiaofeng, the publicity director of the All China Federation of Trade unions, said conflict between workers and employers is not unusual.

Wang said the federation has been working on improving trade unions' abilities to better protect workers' rights in

line with the law.

Yoon Youngmo, senior specialist in industrial relations from the International Labor Organization's Office for China and Mongolia, said, "No one seriously questions that the number of collective labour disputes has gone up dramatically in the last 15 years."

He said industrial upgrading in China will involve a shift from low-wage industries and the process will inevitably affect workers' rights.

"It is important to assist workers to be part of the change," he said.

He added that some of the recent strikes in China have been in response to changes in companies such as closures, new owners and relocations, and these changes affect workers as a whole.

Jiang Ying, a labor law professor at the China Institute of Industrial Relations, said the new generation of Chinese workers has increased awareness of rights and higher expectations of an equal relationship with employers.

"The practice of making less than full payments was not regarded as a problem for workers in the past, but now it is for young workers born in the 1980s and 1990s," she said.

Zhang Yu'an and He Baoqi contributed to this story