

June 12<sup>th</sup>, 2007

Dear friends,

Chinese workers are currently in a legal right crisis and they need your help! We hope you will join our writing campaign to American Eagle and Wal-Mart to urge them to improve the working and living condition of their supplier factories' workers in China.

The following is an investigative report on one of the supplier factories of American Eagle and Wal-Mart. Based on the information obtained from many sources, including interviews conducted with workers from the factory, this report is intended to document several instances, in which the factory operators violate their workers' legal rights, to disseminate that information to the international community, and to call for corrective actions by the factory to improve working conditions for its workers.



Image1: Workers waiting in front of Dongwang City Labor Department pursuing their rights

Endless cycle of Pearl Delta Region Sweatshop factories; Dongwang Ju Won Shoe Factory Investigation

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## **I. Factory Profile**

Factory Name: Ju Won Factory

Address: Dongwang City, East Town District, Zhushang dajintou Village.

Dongwang Ju Won Shoe Factory is a Taiwanese corporation invested factory. The Corporation is in possession of seven factories located in Dongwang, Liaobu (Four factories), Hunan Muoyan, and Xizhou. Each factory consists of at least one thousand workers, and Dongwang Ju Won had roughly 4,000 workers. Due to various reasons such as workers being transferred to other factories, long work hours, strict management, etc., now Ju Won only has roughly a thousand workers. The factory mainly produces sandals and female leather shoes, the products are mainly exported to the U.S., Japan, etc. Its main clients are Li Wei, Bai Xiao, NW, and American Eagle. In addition, Ju Won is the core manufacturer for Bao Lun. Under the agreements with Bao Lun, Ju Won is not allowed to produce for Wal-Mart. However, according to some of the Ju Won workers, Ju Won often produces Wal-Mart's children shoes during the night shift.

## **II. Work Hours**

According to CLW investigators' recent finding, Ju Won imposes long work hours on its workers. Below is the work schedule and description of the actual schedule established:

	<i>Schedule</i>		<i>Actual Schedule</i>
Morning	7:30AM~11:00AM	Morning	7:15AM~11:00AM
Afternoon	12:45PM~5:00PM	Afternoon	12:15pm~5:00PM
Overtime	6:00PM~11:00PM	Overtime	6:00PM~2:00AM

Furthermore, the workers who had overtime shift the previous night are still required to work morning shift at 7:15AM. In some cases, such as during the peak season, workers have to work long hours ranging from 13 to 14 hours. In addition, workers only have one day off per month which is the pay day.

China's labor law states, a worker's daily work hours should not exceed over eight hours, and the average weekly work hours should not be over 40 hours. Ju won has clearly violated the Chinese labor law.

## **III. Wages**

Ju Won offers the workers a piece-rate wage. There is no base salary, and the total salary ranges from \$800 RMB to \$1,300 RMB. One workshop consists of many production belts, and the factory calculates wages by the amount of products produced per production belt. Thus, workers in the same production belt have the same salary. In terms

of the wages, it is very common to see workers filing complaints to the local labor department after the salary distribution.

#### **IV. Work Conditions**

In the past, each production belt consists of 120 to 130 workers. Due to long work hours and low wages offered, each production belt only has 30 to 40 workers. Thus, workers are experiencing a even heavier workload. In addition, Ju Won only accepts workers' leave request on each month's 3rd, 13th, and 23rd, it is difficult to leave the factory besides these days.

#### **V. Living Conditions**

Upon recruitments, Ju Won states that it covers meal and dormitory fees. However, each month the factory deducts a \$2 RMB cleaning fee, a \$15 RMB utility fee, a \$40 RMB dormitory fee, and a meal plan fee (\$200 RMB for managers and \$120 RMB for regular workers). The quality of the meals is poor; meat is rarely seen in the meals, and they lack nutrition. In the dormitory, each room houses about 12 workers although many rooms are vacant. There is one bathroom in the entire dormitory, and sometimes water is not available making workers' lives very inconvenient especially during the winter.

#### **VI. Benefits and Insurance**

Ju Won does not provide medical and social insurance to regular workers. Only employees at the management level may enjoy such benefits. Many workers realize that the factory's promises of wages and benefits differ from the reality, thus many workers choose to leave after one to two weeks. However, these new workers who choose to leave often are either forced to work or not able to receive their salary.

#### **VII. Safety Issues**

Workers in the paint department have the worst working conditions. The chemical fumes spread all over the workshop. Workers are exposed to hazardous chemicals, and the factory does not provide workers any safety equipments.

Friends, Chinese workers need your help. Take action now! We sincerely appreciate you help.

Sincerely,

Li Qiang



Executive Director, China Labor Watch

Please direct your appeal to the individuals below:

American Eagle Outfitters  
150 Thorn Hill Drive,  
Warrendale, PA 15086.

Lee Scott, CEO  
Wal-Mart Stores, Inc.  
Bentonville, AK 72716-8611

Please sign your name under the following letter to urgently demand American Eagle and Wal-Mart to take immediate measures to improve workers' working conditions in the factory and announce these improvements to the public:

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To Whom It May Concern:

This letter is regarding to your China-based supplier factory's management. I am a consumer, and I recently have read a China Labor Watch's investigation report on your supplier factory, the Ju Won factory. After reading the report, I became very aware and concerned about the workers' situations in the factory.

I wish you would take your time to focus on your supplier factory's management and take immediate actions to improve workers' working conditions

Regards,

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Please following this letter to your friend