Of all the factories submitted by company affiliates to the FLA for potential assessment visits, over one-third (1661 factories) are located in China, a country home to more than 1.3 billion people. China has the largest labor force in the world, with a manufacturing sector employing over 99 million workers in 2009. While rural migrant workers make up nearly one-third of the entire working population and are a driving force of the manufacturing industry, they are often subject to low wages, long hours, and little job security. Further exacerbating inequality in the workplace, the government restricts the right for workers to freely organize by requiring that all union activity be organized under the government-led All-China Federation of Trade Unions (ACFTU). Despite these restrictions, the occurrences of worker strikes have been increasing in China in recent years, with China Labour Bulletin recording 884 strikes in the manufacturing sector alone in 2015, often due to low or unpaid wages, or non-payment of social insurance premiums. In 2016, the World Bank reported that China’s per capita income sat below the world average, with more than 70 million people in China in 2016 considered poor. Also in 2016, China passed a new “Overseas NGO Law,” requiring non-profit organizations working in China to comply with new registration and sponsorship regulations that may serve to further curtail the work of labor-focused organizations.

**TOP FINDINGS IN 2015**

*Unions and worker representation*
The Chinese constitution guarantees freedom of association; however, the Trade Union Act prevents the establishment of trade unions independent of the sole official trade union – ACFTU. This restriction triggered at least one freedom of association finding in all factories assessed in China. In addition, in 26 of the factories, assessors found that employers interfered with the right of workers to draw up their constitutions and rules for worker-representative committees, to freely elect their representatives, to organize their administration and activities, and to formulate their programs. Also, in 15 factories, employers did not provide worker representatives with space to meet.

Emergency preparedness, ergonomics, and personal protective equipment

Assessors reported numerous issues regarding insufficient emergency evacuation procedures in 37 of the 39 factories, ranging from malfunctioning fire alarms to blocked emergency exits. Ergonomics issues appeared in 30 of the factories, as workstations – including both seating and standing arrangements – were not set up to minimize bodily strains and stress. Assessors cited 14 factories where eligible workers were not provided with lifting belts necessary for avoiding injury in the workplace. In 23 factories, workers were not provided with adequate personal protective equipment to protect them from hazards at their workstations.

Social insurance and Housing Provident Fund

As in previous years, the 2015 assessments in China revealed routine and widespread deficiencies in social insurance and Housing Provident Fund coverage for workers. According to China’s social insurance law, employers must provide contributions for their workers in five categories of social insurance: pension, unemployment, medical, work-related injury, and maternity. Assessors found violations of this law in 27 factories at which workers were not provided with one or more of the five types of social insurance. In 31 factories, they reported that social insurance benefits were calculated using an incorrect contribution base, like the minimum wage, as opposed to workers’ actual earnings. In addition, every assessment but one revealed insufficient or no contributions by the employer into the Housing Provident Fund.

Recruitment discrimination

In 29 factories, assessors found that advertisements or applications for employment included questions about personal details such as marital status, age, political opinion, and gender that could lead to discrimination. Also, there is a legal requirement in China for companies to hire a threshold percentage of disabled workers, or, if they do not meet the quota, to pay into an employment security fund to assist the disabled. Assessors found that 11 factories failed to meet these legal requirements in 2015.

Excessive overtime, insufficient annual leave, and denial of rest days

China’s labor law states that employees may not work more than 36 hours of overtime per month, however, in factories across the country, workers frequently exceed this monthly maximum, as well as the 60-hour-per-week limit in the FLA Code. Assessors found that 38 of the 39 factories included at least one excessive overtime finding, and in 17 factories, employees worked mandatory overtime. Monthly overtime hours at one factory exceeded 36 hours for 90 percent of workers. At another factory, 90 percent of employees worked more than three hours of overtime on a daily basis year-round; similar examples appeared in each factory cited with excessive overtime. In 22 factories, workers were deprived of the annual leave due to them, and in 14 factories, workers were not given at least 24 consecutive hours of rest in every seven-day period.

REMEDIATION

As part of the assessment process, companies craft action plans to address findings of noncompliance and work with factories to implement them. For example, one factory’s management put in place a five-year plan designed to achieve 100 percent compliance on social insurance. This factory also created a written policy to provide workers with annual leave based on cumulative work experience, and provided training to workers on this policy. In response to findings of ergonomics issues, another factory purchased new chairs for its workers to test for improved comfort, and also provided all loading workers with lifting belts to reduce bodily strain. Find the latest progress on all remediation activity in the “Workplace Monitoring Reports” section of the FLA website.