

# Forty thousand workers strike at shoe manufacturer in southern China

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19 April 2014

An estimated 40,000 workers at the Taiwanese-owned Yue Yuen Industrial Company in Dongguan City have been on strike since Monday. Located 30 kilometers east of Guangzhou in Guangdong province's Pearl River Delta, Dongguan is a key manufacturing center in China.

Yue Yuen is the largest branded footwear manufacturer in the world and makes shoes for Nike, Adidas, Reebok, Converse and other major brands. According to Yue Yuen's web site, the company operates factories in China, Vietnam, Indonesia, Mexico and the United States, and employed a total of 460,000 workers in 2011. Yue Yuen operates three factories in Guangdong province, employing 60,000 workers.

Yue Yuen reported that it made over 300 million pairs of shoes last year, making a net profit of \$434.8 million on \$7.58 billion in revenue.

China Labor Watch, a US based non-governmental organization described the Yue Yuen strike as "likely one of the largest Chinese worker strikes in recent history."

The primary issue being raised by the striking workers is Yue Yuen's decade-long underpayment into workers' retirement and housing benefits. Each month, workers pay approximately 10-20 percent of their earnings into a Social Insurance account. Corporations are legally required by China's Social Insurance law to match workers' contributions into these retirement plans.

Workers going to the Social Insurance offices to collect printouts of the contributions made to their accounts discovered that Yue Yuen had either significantly under contributed to their account or had made no contributions at all.

Yue Yuen has been calculating the contributions

made to the social insurance accounts on workers' base salary rather than their actual pay, thus leaving out all overtime income. The employees of Yue Yuen, as with all manufacturing in China, are grossly overworked. Actual pay is routinely double the base salary.

Yue Yuen has not only cheated workers of their social insurance payments, it has not paid them their housing funds either. According to Xinhua, "A human resources executive who requested anonymity confirmed the matter, saying only about 1,000 workers of the plant's 45,000 staff have been paid housing funds."

Yue Yuen announced on Monday that the company's failure to pay workers their benefits and housing was the result of a "misunderstanding," and that Yue Yuen would begin implementing "an improved social benefit plan."

This statement did nothing to appease the striking workers.

"The factory has been tricking us for 10 years," a female worker at Yue Yuen's Gaobu plant told Reuters. "The Gaobu government, labor bureau, social security bureau and the company were all tricking us together."

These statements reflect deep anger in the Chinese working class over the grotesque exploitation and social inequality that emerged after the Stalinist Chinese Communist Party's restoration of capitalism, a quarter of a century ago, allowing it to run China as the sweatshop of the world.

This situation for workers at Yue Yuen reflects the exploitation suffered by workers throughout China. China Labor Watch conducted 400 factory investigations over the past decade. During that time, it reported, "not one factory bought for its workers all of the social insurance items required by Chinese law."

On Tuesday over 10,000 Yue Yuen workers marched through the streets of Dongguan in protest. One banner read “Return our Social Insurance, return my housing fund.”

The peaceful marchers were violently dispersed by riot police. It is unclear how many workers were injured in the clash, but over twenty were reportedly hospitalized. The wife of one worker told the BBC that her husband had been beaten so severely that he had lost the ability to speak. A video of the police crackdown is visible [here](#).

According to the latest reports, forty thousand workers are still on strike. They are gathered outside the Yue Yuen factories, where they continue to swipe their time cards each day, but refuse to report to work. They are surrounded by over 1,000 riot police. The *New York Times* has reported that there have been sporadic clashes between the police and the strikers and additional workers have been hospitalized.

One worker told the *Times* that she earned an average of 1,300 renminbi (US\$210) each month, while she has paid 100 renminbi a month for social insurance, an amount the company did not match.

Another worker, who gave the name Li, told the press that he was 38 years old, and his monthly salary is about 3,500 renminbi, but Yue Yuen's payments to his social insurance were based on an income of 1,810 renminbi.



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