



Home

About Us

Our Work

Reports

Media Center

Get Involved

Resources

Submit

Industry Brand Year

Home>Reports

- 2011
- 2010
- 2009
- 2008
- 2007
- 2006
- 2005
- 2004
- 2003
- 2002
- 2001
- 2000

Chinese Workers Manufacturing for McDonald's and Disney Outraged by Mistreatment

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On July 22, 2006 , workers from the Merton Co. Ltd. (a/k/a Hengli Factory) in the Sangyuan Industrial District, Dongguan City , Guangdong Province, protested against the meager wage and poor living conditions in the factory. The protest began in workers' dorms and soon evolved into a self-organized labor riot. At night, the factory police sent riot vehicles and squad to control the situation (the factory has approximately 10,000 workers).

On July 23, the conflict aggregated. Over one thousand workers joined the conflict. Many injured. It took [insert number here] factory policemen and securities to eventually took control of the situation. Dozens of workers were arrested during the riot. The place where they are being detained is unknown.

According to China Labor Watch's investigation, workers at the Merton Company typically work for 11 hours a day and 6 days a week. The total overtime hours go up to 70 hours a month. However, under the Chinese Labor Law, workers shall not work for more than 40 hours a week and overtime shall not exceed 36 hours a month. Workers will be subject to salary deduction if they refuse to work overtime. At Merton, workers do not enjoy paid national holidays, vacation or sick leave.

The base salary for workers who are paid at hourly rate at Merton is 574 RMB (\$71.75) a month, the exact minimum wage standard in Dongguan. The factory does not calculate workers' overtime compensation separately and overtime is not paid 1.5 times of regular rate as required by the law. There is not base salary for workers who are paid at piece rate. Workers' salaries are normally withheld for a month. Furthermore, the factory has stopped providing workers with salary slips since February 2006, which is also mandatory under the law.

In addition, workers told the investigator that the factory meals are of poor quality, while workers must pay 250 RMB (\$31.25) for food and dorm, approximately ¼ of their monthly income. Their take-home salaries range between 600 and 800 RMB (\$75-100) a month. Lastly, Merton fails to provide workers with adequate social insurance (medical or pension; half of the workers have work injury insurance).

According to the interviewed workers, 50% of Merton's products are manufactured for McDonald's. Other major purchasers include Disney and famous brands.

China Labor Watch does not support the use of violence as an appropriate and effective approach of labor protest. However, it is our firm stance that companies, especially multinational corporations, must take up the responsibility to ensure workers of a living wage and decent treatment at work. As CLW's executive director Li Qiang said, "Chinese workers live at the bottom of the society. They have no means to voice their needs or to protect their lawful rights. Workers will only stand up and fight when their situation is so miserable that they do not have any other options. Tragedies such as the Merton riot were a result of the misguided social policy that overemphasizes economic growth and neglects labor rights."

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