



Home

About Us

Our Work

Reports

Media Center

Get Involved

Resources

Submit

Industry	Brand	Year
----------	-------	------

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

Home>Reports

Economic Crisis Plagues Dollar General, Target, Home Depot and Twin-Star

International Workers

Download PDF  Share |    

The economic recession in 2008 has undoubtedly influenced many people's living styles. This is especially true for the Chinese workers who work for Source Pro Industries Ltd. Even before the crippled economy, at Source Pro, workers' wellbeing was considered a flexible factor to the factory and its clients as they maximized their profits. It can only be expected that current working conditions will remain poor, if not worsen.

In order to gather accurate information about Source Pro, a CLW employee entered the factory as a regular worker and worked for several weeks. After a careful review onsite, the employee discovered the following issues:

- *Workers are asked to sign an "Agreement to forfeit all social insurances" (Only those workers employed in workshops with high work injury rates, such as the hardware or wood crafting shops, have individual medical and work injury insurance and pensions)*
- *Although their contracts each include two copies, workers are not able to keep one. After signing a contract, Source Pro immediately takes the worker's copy away. Moreover, there are workers who have never signed a contract of any sort with Source Pro.*
- *Workers outside the hardware and wood crafting shops only have group insurance and such insurance is not equivalent to the social insurances required by the new China Labor Law.*
- *Workers have a difficult time quitting and receiving their wages in full during their probationary period. Most of them have no choice but to forfeit their wages and leave voluntarily.*
- *During the peak season, workers generally labor seven days a week, with slightly shorter work hours or no overtime on Saturdays and Sundays. On average, most of workers work about 11.5 hours a day, while some work about 12.5 hours a day.*
- *Due to the peak season, a high turnover rate leaves many work posts vacant; in some cases, a worker has to work triple the regular workload. "I am so busy that I don't even have time for water or [to visit the] restroom", said one interviewed worker.*
- *A temporary worker can only work at Source Pro if he/she is referred by a supervisor. New entrants generally have to pay an "introductory fee" to a supervisor for referral.*
- *On August 25th, 2008, workers did not receive pay stubs.*
- *Workers complain that sometimes the canteen food is disgusting. When that happens, they pick the food out and dump it on their tables.*

- *Though there are many fans installed in the workshops, workers complain about high temperatures.*

To emphasize the seriousness of this matter, CLW forwarded information on these problems to Dollar General, Target, Home Depot and Twin-Star International by mail. Regrettably, no response was received from Target and Home Depot. Although Twin-Star contacted CLW and promised that an audit result would be sent to CLW ten days after the conversation, CLW has still not yet received any reply from the company.

These corporations' lack of any sense of responsibility cannot be ignored. Responsibility is the foundation of every society and is particularly important at times of economic turmoil like these. Responsible companies do not treat their workers as a flexible asset, using them as a machine that merely exists for production.

It is sad but true that factories will always have problems; what is important is that problems are acknowledged, then remedied. Though these workers are born in a developing country, it does not mean that their rights and dignity can easily be stripped away for someone else's benefits.

Hence, we must ensure that companies such as Dollar General, Target, Home Depot and Twin-Star International face up to problems directly, instead of ignoring them, shifting responsibilities or making empty promises. It is difficult for workers to speak out for themselves, as the factory's intimidating atmosphere overwhelms them. Hence, they require our aid!

Friends, once again we need your support. We ask you to write a simple letter as a consumer to each of these companies, pressuring them to change their poor labor practices. Together, we must make these companies understand that their responsibility toward their workers and their work environment does not end after printing up a so-called code of conduct on a plain piece of paper. To advance workers' conditions and ethical production, actual corrective actions must be taken!

Please direct your appeal to the individuals below:

- Twin-Star International, Inc.

115 SE 4th Avenue
Delray Beach, Florida 33483

Contact Number: 1-888-776-2490

- Gregg Steinhafel, CEO

Target Corporation
1000 Nicollet Mall
Minneapolis, MN 55403

Contact Number: 612-304-6073

- Richard W. Dreiling, CEO

Dollar General
100 Mission Ridge
Goodlettsville, TN 37072

Contact Number: 615-855-4000

- Frank Blake, CEO

Home Depot

2455 Paces Ferry Road N.W.
Atlanta , GA 30339

Contact Number: 770-433-8211

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:

To Whom It May Concern:

This letter is regarding to your China-based supplier factory's management. I am a concerned consumer who wants to express my opinion after recently read a China Labor Watch's investigation report on your supplier factory, the Source Pro Industries Ltd . After reading the report, I became very aware and concerned about the workers' situations in the factory. The workers are forced to work over the mandated work hours, not able to have a copy of the contract, only obtained the minimum wage and have no insurance.

I urge you would take your time to focus on your supplier factory's management and take immediate actions to improve workers' working conditions. At a minimum, you must:

- Commit to Source Pro as your supplier factory, do not simply seek a new location to produce your products.
- Impose no retaliation against workers who brought complaints to the factory or authorities.
- Ensure overtime is based on a voluntary basis and does not exceed the legal limit
- Provide workers with insurance and pension.
- Impose fines on the supplier factory under violations in order to pursue a better work condition.

I am looking forward to hear the actions your company is taking in order to alleviate the issue of workers' exploitation. I believe that by using your considerable influence as the remedy, workers would soon be able to preserve their rights.

Regards,

Please forward this letter to your friend

Source Pro Investigative Report

Factory Name

English: Source Pro Industries Ltd.

Address

English: #6 Yingfeng One Road, Ying-Hu
Industrial Zone, Xiewan Town , Dongguan City

Contact Information

Number: 0769-87130818

Website: <http://www.soupro.com>

Number of Workers

About 900 workers with the male to female ratio of 3:1.

Products

Electric Fireplace, bathroom storage, leisure tents, cartoon-related products and etc.

Source Pro is a Hong Kong invested factory established in October 2000. According to its website, Source Pro has an area of about 50,000 square meters. However, other source indicates that the factory's actual area is about 28,000 square meters.

Source Pro is currently manufacturing Twin-Star electric fireplace exporting the products to the US and European markets.

Contract & Hire

New workers are asked to fill out a factory-provided application and submit three copies of photo ID and three photos. Source Pro does not require workers to show their original ID. Source Pro automatically rejects an application from a worker who has a unique hair style or tattoo.

According to interviewed workers, only few work posts require health exam and none of the new workers received any types of trainings. The only agreements *workers are asked to sign are an "Agreement to forfeit all social insurances" (Only workers working at workshops with high work injury rates such as hardware or wood crafting workshop have medical, work injury insurances and pension)* and an "Agreement to follow factory regulations". As part of the procedure, an employee from the HR Department will read the factory regulations to new workers. After the speech, new workers will begin working.

Within one month of work period, Source Pro will offer a contract for new workers to sign. Source Pro's contract details /includes a 770 RMB/month (Dongguan's minimum wage), a one month probationary period, social insurances and etc. Although the contract information complies with the New China Labor Law Regulations, according to interviewed workers, in reality, Source Pro's behavior is very different from what is stipulated on the contract. *Although the contract has two copies, workers are not able keep a copy. After signing the contract, Source Pro immediately takes worker's copy away. Moreover, there are workers who have never signed a contract with Source Pro.*

Source Pro's Actual Operation

- Only workers working at workshops with high work injury rates such as hardware or wood crafting workshop have medical, work injury insurances and pension. Workers in other workshops only have group insurance and such insurance is not equivalent to the social insurances required by the New China Labor Law.
- Workers have a difficult time to quit and receive wages in full during probationary period. Most of them have no choice but to forfeit their wages and leave voluntarily.
- Source Pro's peak season begins every July to September. This year since the peak season, the payment system has changed from hourly to piece-rate.

Work Hours

Schedule	First Shift	Second Shift
Morning	8AM ~ 12PM	8AM ~ 12:30PM
Lunch	12PM ~ 1:30PM	12:30PM ~ 1:30PM
Afternoon	1:30PM ~ 6PM	1:30PM ~ 5:30PM
Dinner	6PM ~ 7PM	5:30PM ~ 7PM
Night	7PM ~ 10PM	7PM ~ 10PM (11PM for Wood Craft Workshop)

During slow season, workers have one rest day a week. **During peak season, most of the times workers work seven days a week with slightly short work hours or no overtime on Saturdays and Sundays. On average, most of workers work about 11.5 hours a day while some work about 12.5 hours a day.** According to interviewed workers, the decision whether to work overtime or not does not have much affect to the amount of wages though to not work overtime, one must requests for approval from the supervisor and the request can easily be approved. At Source Pro, workers don't constantly ask to not work overtime. During work hours in each workshop, workers have a 10 minute break to use the bathroom or to drink water without seeking for supervisor's approval. **Recently, however, due to the peak season, high turnover rate leaving many work posts vacant, in some cases a worker has to work triple the regular workload. "I am so busy that I don't even have time for water or restroom", said an interviewed worker.**

Wages & Benefits

There are two types of workers at Source Pro: Contract workers and Temporary workers. New contract workers do not have to pay a deposit to enter the factory and after working in the factory for a period of time (time varies) Source Pro will distribute a set of uniform for free; **temporary workers can only work at Source Pro if he/she is referred by a supervisor. They generally have to pay an "introductory fee" to a supervisor for referral.** Moreover, temporary workers are hourly workers paid every three days.

As mentioned earlier, as of 2008's peak season, Source Pro's calculation system became piece-rate. The rate per piece varies depending on each work post and the products manufactured. Many workers are still not familiar with

the current calculation system; even a supervisor admitted that he would need to have a more in-depth review of the new calculation in order to explain it to the workers. Although each work post may produce different products, the amount of their payments at the end of the month is very close.

Although workers are now paid by the piece-rate and there is no clear boarder between the premium of regular work hours and overtime work hours, many workers reported that the hourly wages in the past is almost the same as their current piece-rate wages. Furthermore, workers suspect that the adjustment of the calculation method is just a strategy to distract worker's focus on existing problems.

Source Pro distribute wages on the 25 th of each month along with a pay stub though **on August 25 th , 2008, workers did not acquire their pay stub** . Payment is either made by cash or direct deposit. After dormitory fee, meal fee and etc., including overtime, a worker's average monthly wage is between 1,100 RMB to 1,200 RMB.

Workers are able to enjoy days off on official holidays and maternity leave and paid vacations.

Canteen and Dormitory Conditions

There are two factory canteens built in the factory and workers can choose whether to dine in the factory canteen or not. Workers who choose to dine in the canteen will be charged 75 RMB per month. The amount will be deducted automatically from workers wage. For workers who choose to dine outside the factory, Source Pro offers a 30 RMB/Month subsidy.

Source Pro provides three meals a day. Inside a canteen are two windows for food distribution and capacity of 400 people.

Menu

Breakfast	Soy milk, fried donut, congee, buns
Lunch	Three entrees and one soup
Dinner	Three entrees and one soup

Workers complain that sometimes the canteen food is disgusting and when that occurs they would pick the food out and dump it on the table.

There is a four story workers dormitory built onsite which Source Pro offers to workers at no cost. In the summer, the factory charges 15 RMB/Month/Person for turning on the air conditioners. All air conditioners are operated under a unified system controlled by Source Pro; the air conditioner's operating hour is from 11PM until the 7AM the next day.

Workers are able to choose whether to live onsite or not and for those who choose to live offsite, the factory gives a 100 RMB subsidy. From the first to the third floor of the dormitory are male dormitory and the fourth floor is a female dormitory. There are three exits in the dormitory open at all time, and the stairway to the fourth floor has a metal gate though it has never been locked.

Each story has about thirty rooms and each room has ten bed spaces housing six to eight workers. Inside a dorm room, there are three ceiling fans, about ten closets with broken locks, A/C outlets, a balcony and a shower room without hot water. On each side of the hallway on each floor, there is a public restroom with shower rooms and in

front of its entrance is a hot water distributor. Similar to the shower room in the dorm room, the public shower room has no hot water. Both the public restroom and shower room has the capacity of five persons.

Though Source Pro regulates that entry to the dormitory of the opposite sex is prohibited there has still been cases of workers choose to ignore this regulation.

Work conditions

As mentioned in "Contract and hire", no workers at Source Pro received any types of trainings and besides the workers from workshop with high injury rate such as hardware, wood crafting and etc., none of the workers have work injury and medical insurance and pension

Among the workshops at Source Pro, Assembly workshop acquires the largest population of workers. The Assembly Workshop has five production lines, A, B, C, D and E and it require workers to work while standing.

Hence, ***workers often complain about heavy workload especially in peak season. As a result, many workers have chose to quit due to overstress and low wages which causes cases of a worker working three to four people's job.*** There also have been workers who only work for couple days and quit due to heavy workload. At night when overtime takes place, many workers would sit or lay on the ground to get some rest

In May 2008, a worker from the hardware workshop lost four of his fingers at work.

Some workshops such as the paint workshop require daily exposure to paint and raw plastic materials with irritable smell. Workers at these workshops are provided with safety equipments such as face masks and etc.

Though there are many fans installed at workshops, workers still complain about workshop's high temperature. During the day at work, workshop relies on natural sunlight to work. There is a device on the ceiling that allows sunlight to reflect into the workshop.

Since there are no first aid boxes inside the workshop and no clinic onsite, when a work injury occurs, Source Pro could not perform immediate treatment but to only drive the injured worker to a nearby hospital.

Bonuses and Penalties

One point= 10 RMB

Penalty Fine

***Leave One minute= 1 point deduction
early or
late for
work***

Absence > Half day= one and half day worth of wage

to work > One day= three day worth of wage

There are no bonuses at Source Pro.

Other Conditions

> Workers at Assembly workshop are about 20 years of age

> Workers at painting and Wood Crafting workshops are high in age

> There are many workers around the age of 60 and some even over 70 years old. Most of them expressed that they

choose to work at Source Pro because it is difficult for them to find a decent job.

- » There is a morning exercise every Saturday morning. Factory management would teach workers Tai-Chi. In many cases the management would show poor attitude to workers during the exercise.
- » There's no body-search for entering and exiting the factory. Workers who resigned need permission to take their belongings out of the factory.
- » There is a supermarket and a minimart inside the factory.

[download](#)

[Home](#) | [About Us](#) | [Our Work](#) | [Reports](#) | [Media Center](#) | [Get Involved](#) | [Resources](#)

147 W 35th Street , STE 406,New York,NY 10001

Tel 212-244-4049 | Fax 212-244-4146 | clw@chinalaborwatch.org