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# **Adidas workers on £11 a week in China**

## **Staff complain of terrible conditions in the Olympic sponsor's factories**

Michael Sheridan in Fuzhou and Claire Newell

THE German sportswear giant Adidas has paid a reported £50m to sponsor this summer's Beijing Olympics with the slogan "Impossible is nothing".

For the thousands of Chinese workers who earn a basic £11.36 a week making Adidas's expensive trainers at factories in the industrial city of Fuzhou, one thing does seem impossible: to get fair play.

An investigation by The Sunday Times into the workers' pay and conditions has found apparent violations of China's labour laws and Adidas's own code of workplace standards.

Workers at the factories in Fuzhou accuse the management of cheating on pay, discriminating against young men and stifling a pioneering attempt to set up a trade union.

They have provided documents appearing to prove that they have to work for more than 70 hours a week to earn a living wage, even though Chinese law limits the average working week, including overtime, to 49 hours.

Adidas has defended its record, conscious that its controversial role as an Olympic sponsor has already attracted the attention of campaigners. But it has conceded that many of its Chinese workers earn only the minimum legal salary.

Life for those in the Adidas factories, which are surrounded by a warren of narrow tenement streets, is a world apart from the celebrity-studded image projected by David Beckham, the footballer, and the singer Missy Elliott, who designs some of the company's sportswear.

The Sunday Times found a history of industrial strife at three of what Adidas calls "long-established partner factories" in Fuzhou, which are owned and operated by a Taiwan-based firm. In dozens of interviews, workers, administration staff and security guards described a poisonous atmosphere of class and cultural conflict between the Chinese workforce, the Taiwanese managers and Adidas's German-led management team.

They say there have been at least five unreported strikes in the past 12 months over allegations of management cheating and abuse. Their complaints include claims that workers are sometimes forced to work overtime for no pay. Most cannot decipher their extremely complex wage slips.

"Life is very hard," said a worker with two small children. "We work morning to night but have no money left."

One pair of Adidas trainers in the UK high street costs from £60 to £120 for the latest women's sports shoes designed by Stella McCartney. But this newspaper is in possession of a payslip that shows the basic wage for an Adidas worker in 2007 was just 570 yuan, or about £40, a month.

Adidas confirmed the figure and said that it was raised to 650 yuan, or just over £45 a month, in line with a rise in the provincial legal minimum wage last August.

“The problem is that the minimum wage is not a living wage,” said Geoffrey Crothall, editor of the China Labour Bulletin in Hong Kong.

Records reviewed by Bulletin experts showed that to earn a “living wage”, estimated by workers at £80 a month, employees would have to work excessive overtime. One wage slip indicated that the employee had worked 73 hours a week.

In 2002 workers thought their lot would improve when the management, under pressure from foreign customers, allowed a free election for union representatives. But by last year, when the union officers’ five-year term was up, most workers had become disillusioned with the union and Tang Ximou, its leader.

Strikes were breaking out, real wages were falling, Tang was widely accused of doing nothing and an atmosphere of conflict prevailed. On October 14 the management allowed an election – but only for part-time union posts. Tang and his two deputies were reappointed without a poll.

This appears to be a clear breach of article 9 of China’s trade union law of 2001, which says union committees “shall be democratically elected”. It also conflicts with Adidas’s own commitment to “the right of employees to join and organise associations of their own choosing”.

Tang was evasive when questioned at an open factory event to celebrate Women’s Day earlier this month. Asked whether the union was genuinely independent, he said: “This is too political. Why are you interested in such a sensitive question?”

After a strike in 2006 led by young male workers, the Taiwanese management took a decisive step. “They were all kicked out,” said an administration clerk.

Now the factory appears to discriminate illegally against men. The evidence was a prominent notice outside the gate. It said any men applying for jobs must produce a certificate from the public security bureau in their home towns proving they did not have a criminal record. No such rule applied to women.

The requirement is impossible for most young migrants, who cannot afford the time or money to trek hundreds of miles back home. In effect it is a bar to recruitment, workers say. “The boss thinks men are trouble-makers,” said a security guard. “We give them special searches and keep an eye on them.”

Discrimination is illegal under Chinese labour law and is contrary to Adidas’s code of workplace standards. Adidas said it had raised the issue with the company in 2005 and the practice was phased out in 2006. But the sign was still outside the gate this month and a man who asked about a job was told he must produce the document.

In a statement, Adidas denied discrimination. It said neither it nor the factory management had anything to do with the politically sensitive “restrictions” on the union election.

The company acknowledged that most workers got only the legal minimum basic wage and said it was aware that “unrecorded overtime has taken place from time to time”.

Adidas said it was “striving to eliminate” excessive working. It had found no evidence that workers were cheated of their overtime. It said records were regularly inspected by 13

members of its “compliance staff” monitoring conditions in the 244 factories in China where it indirectly employs some 250,000 people.

The company denied there had been any strikes, saying it had been notified of only three “stoppages” of between 30 minutes and one hour involving fewer than 20 people out of a workforce of 15,000, adding: “These were not strikes.”

These assertions, though, were vigorously contested by workers, who all used the Chinese expression *ba gong* (strike) to describe the actions.

In terms of adapting to the Chinese government’s policy of improving standards, Adidas appears to be running second to Nike, its American competitor, despite its high profile as an Olympic sponsor. Nike recently admitted that conditions for its Chinese workers left room for improvement and called on China to respect International Labour Organisation (ILO) conventions that guarantee freedom of association.

Invited to endorse that stance, Adidas said its workplace standards were already based on the core conventions of the ILO. It said Adidas “continues to show leadership in its efforts to protect labour rights in China”.

Obtaining an independent assessment of that is becoming more difficult. Across China, labour activists say, the police are warning workers that if they discuss industrial disputes with foreign reporters they risk imprisonment on charges of collusion with “foreign elements”. Not one Adidas worker dared to speak on the record.

Whether the trouble involves trainers or Tibetans, it seems, no effort is too great for the Chinese authorities to preserve the happy and harmonious image of the Olympics – and their sponsors.

Additional reporting: Flora Bagenal, Beijing

Quelle:

<http://www.timesonline.co.uk/tol/news/world/asia/article3646424.ece>