

**GoodElectronics** is an international network on human rights and sustainable production in the global electronics industry. “**On the spot**” is a special newsletter edition highlighting the work of organisations that participate in the GoodElectronics network. The idea is to provide insight in the activities and strategies of organisations, with a particular interest for such organisations that operate on a grass roots level. For comments and suggestions, please contact GoodElectronics at [info@goodelectronics.org](mailto:info@goodelectronics.org).

## Ole Wolff Yantai Workplace Union. **A unique initiative of Chinese women workers; a struggle for labour rights against all odds**

### Background – problems at the plant

The Danish owned company Ole Wolff (Yantai) Electronics Co Ltd was established on the 19<sup>th</sup> of October 2005. Production in Yantai, on the Chinese east coast, started in January 2006. Ole Wolff Yantai (OWY) is a subsidiary of the Danish company Ole Wolff Manufacturing, with offices and sales and production facilities in a number of countries around the world. At the start of operations in China, OWY recruited workers with assurances for written contracts, paid-for labour insurance and a monthly salary of 530 Yuan.



The plant started off with more than 300 workers. Despite these promises, within two months wages were cut down to 450 Yuan, OWY refused to sign labour contracts, and the insurance premiums turned out to be deducted from the workers' salaries. In April 2006, 68 workers were dismissed without notice or explanation. Moreover, the sacked workers were required to sign resignation letters. In September 2006, OWY refused its workers to take a full week of national holidays, but only allowed for three days off. Taking the entire week off had to be repaid by working on four subsequent Sundays. In June 2007, OWY set up a cleaning shift requiring workers to process chemicals, including benzene, without being provided any protective gear.

Over the past years, OWY has reverted to an impressive repertory of intimidation tactics to discourage workers from claiming their rights. The last and final blow was the rigorous downsizing of the closure and the subsequent closure of the plant, supposedly due to lacking orders. At this stage, the company ignores all outstanding claims from its former employees.

## Electronics industry in China

Between 1995 and 2006 China's share of global electronics production increased from 3% to 20.5%, an expansion that very much transformed the global electronics industry. More than half of the world's mobile phone production and three out of four laptop computers are produced there. The electronics industry functions as one of the country's major economic drivers. In 2006, the Information and Communication Technology (ICT) sector exported goods valued at US\$232 billion and employed more than 7.7 million people. Much of the work that is conducted is labour-intensive product assembly work, but in the last few years China has also succeeded in capturing more added value by attracting more high-skill manufacturing of chips and other electronic components. However, the working circumstances at these factories are often lacking. Common problems for the workers are low payment, no insurances, long working hours and health and safety conditions that are not up to standards.

## Women workers establish workplace union

In 2006, aggrieved by OWY's, failure to live up to its promises and continuous bullying, women workers got the idea to set up a union, to defend their rights. The majority of the workers sacked in



April 2006 refused to sign resignation letters. A hard core group of seven women insisted to be reinstated - in which they eventually succeeded. In July 2006, this group applied to set up a union at the Fushan District bureau of the All China Federation of Trade Unions (ACFTU). In response, On October 8, 2006, OWY put out a dismissal notice concerning Ms. Liu Meizhen, one of the workers involved, stating that "*she failed to obey the management, stirred troubles*

*among workers, and severely violated the regulations and the system*". To decry these allegations, and to lend power to their demand to set up a union, workers spontaneously launched a strike. OWY did not respond agreeably to this development: workers on strike were threatened in various ways: fines were imposed; workers were denied access to the factory; workers were demanded to move out of the dormitory; six workers were sacked. National officers of the All China Federation of Trade Unions, however, ruled that the strike was legal and sent a delegation to OWY. The strike lasted for 13 days. On the closing night, 20 October 2006, the Ole Wolff Yantai Workplace Union was established, with 116 members out of a total workforce of about 200. For a start, the workplace union wrote to OWY to demand the re-re-instatement of the six sacked workers, both with OWY as well as at the district court. In the very beginning the national office of the All China Federation of Trade Unions was supportive. At the moment, this support has fully dwindled.



**Profile 1** Ms Liu Meizhen was employed by OWY from the very start of operations in January 2006. She was among the six women who addressed OWY for not delivering on its promises concerning contracts and wages. In October 2006, Ms Liu was among the six dismissed striking workers. Although Ms Liu and her colleagues were put in the right by the court in November 2007, and were given compensation in November 2008, things are not all settled yet. At the moment of writing, OWY is still withholding Ms Liu's employment file. Without this file, Ms Liu has been unable to find a new job.

### **Activities and strategies of the Ole Wolff Yantai Workplace Union**

Throughout the past years, the women workers of the workplace union have applied creative strategies to get their messages through to the Ole Wolff Yantai management and the outside world:

- In the very beginning, negotiations were attempted
- In October 2006, a 13-day strike was staged
- The women workers called upon ACFTU for support, both at a national level as well at the Fushan district bureau
- Labour dispute cases were filed at the district court
- A blog was kept - <http://blog.sina.com.cn/youyudzhongguoren>
- International support was sought and found, at the Danish trade union 3F
- Women workers gave interviews with local newspapers and with the Danish television.

### **Labour union situation in China**

All labour unions in China must be formed under the leadership of the All China Federation of Trade Unions (ACFTU). The ACFTU is the sole legal national trade unions organisation in China. Organising independent unions is deemed illegal and subject to criminal charges. The effectiveness of the ACFTU to protect workers rights is sometimes questioned. The leadership of ACFTU is not democratically chosen, and it is not uncommon that representatives of the private sector (middle and senior managers) are chairpersons at the ACFTU branches. This can lead to serious conflicts of interest and even repression of employees. Since there is neither genuine contest of election campaign nor transparency of election concerning all union offices, there is no democratic mechanism which could guarantee member's opinions will be effectively expressed. According to a new law in China, when there is no union present within an enterprise, workers can elect their own representatives. This has happened in the case of OWYTU.



## Intimidating workers, sabotaging the work place union

Over the past years, the management of Ole Wolff (Yantai) has gone to great lengths to intimidate and discourage its worker from claiming their rights. Some of the tactics employed:

- Sacking workers
- Requiring sacked workers to sign resignation letters
- Aggression towards workers
- Refusing to talk to workers
- RD workers access to the factory
- Setting the police on workers
- Spreading rumours, with a view to tarnish the reputation of the union leaders,
- Spreading false rumours to discredit the reputation of the workers
- Threatening striking workers with compensation fines
- Pressuring workers to sign 'promise letters' pledging 'absolute obedience to the management'
- Forcing workers to move out of the factory dormitory – depriving them of accommodation
- Transferring union leaders to lesser positions, as punitive measure.
- Delaying due payment to the union
- Punishing workers who had asked for written contracts and labour insurance by deducting their wages and stopping the provision of free meals
- Tearing down notices put up by the workplace union
- Threatening to dismiss leaders of the workplace union, by public announcement
- Demanding workers to resign their membership of the workplace union as a condition for a written contract.

**Profile 2** Ms. Jiang Qianqiu was appointed acting chairperson of the OWYTU on June 4, 2007, when the sitting chairperson, Ms. Yu Liyan resigned, fed up with the retaliation actions of OWY. Ms Jiang took charge of routine activities of the workplace union. Soon, she met with pressure from OWY as well. In October 2006, Ms Jiang was sacked together with Ms Liu and 4 other women. Ms Jiang fought her dismissal and persuaded the local labour bureau to support her in criticizing the company's illegal act. The company refused to reinstate her. In November 2007, Ms Jiang was offered 30,000 Yuan if she would quite her job, which she refused. In February 2008, Ms Jiang and her partner were visited at home by the Yantai police to have their family background investigated. However, in November 2008, Ms Jiang was offered a compensation package of 19,000 Yuan for being unlawfully dismissed. *"We are not people who earn a living by blackmailing their employers. We are just ordinary women workers, like every common Chinese woman worker who just wish to defend our rights. We will continue to do so until victory"*, says Ms Jiang.

## Support



In its struggle for respect for labour rights the workplace union has been supported by Globalization Monitor. Globalization Monitor is a non-profit organization based in Hong Kong. <http://www.globalmon.org.hk/en/>. It was founded shortly before the big Seattle protests against the World Trade Organisation in 1999. The GM editorial board is made up of activists from trade unions, the green movement, regional groups and grassroots organisations. GM is dedicated to promoting awareness of the negative effects of globalisation. Globalization Monitor is helping OWYTU to appeal to international trade unions and human rights/consumer groups, especially those from Denmark, to keep up effort in putting pressure on the Danish company to abide by the law and start to negotiate with the workplace union. According to Globalization Monitor *"The significance of this case is not only that the workplace union was born through a strike initiated by rank and file workers, but also the first case which a Chinese workplace union was supported by a trade union from a foreign country and succeeded in winning some initial success."*



The foreign trade union that has been supporting the OWYWU is the Danish Federation of Trade Unions, 3F. Looking for and securing international support is one of the remarkable feats of the workplace union. 3F is the largest trade union in Denmark. 3F supported OWYWU in several ways. Articles on the Ole Wolff case were published on the 3F website. 3F contacted the Danfoss Group, Ole Wolff's major buyer. 3F also got in direct contact with Mr Ole Wolff, the owner himself on the issues apparent at the OWY factory. According to one of the representatives of 3F, the struggle of OWYWU is giving a warning to Danish companies, that if they behave like Ole Wolff, they will get into trouble <http://forsiden.3f.dk> (in Danish).



The Danish company Danfoss develops and produces mechanical and electronic products and controls. Danfoss wrote enquiry letters to ACFTU,

requesting ACFTU to support the case of OWYTO. Buyer Danfoss has severely criticized OWY for the unfair treatment of its workers. In December 2008, Danfoss commissioned an investigation which shows, according to Danfoss' Head of Social Accountability Malene Østergaard, that Ole Wolff has violated the Danfoss Code of Conduct. (<http://forsiden.3f.dk/article/20081220/NYHEDER/812190369/2166/NYHEDER>). The director of Ole Wolff Yantai, Rasmus Wolff has not responded to the allegations uttered by Danfoss. Other identified buyers such as Foxconn and SonyEricsson are not known to have taken any steps to address the concerns and demands of the workers at OWY despite of being informed of the situation by GoodElectronics.

In a reaction to 3F regarding the conditions at the Yantai plant, Mr. Wolff of Ole Wolff stated: *"I don't know the whole truth about what's going on over there, so I can't say so much about the matter. The factory has a management that is in charge and handles that kind of thing. However, I am one hundred per cent convinced that the employees have excellent pay and working conditions, and that's all I have to say on the matter."*

More information about the year-long conflict can be found on the China Labour News Translation (CLNT) website: <http://www.clntranslations.org/article/37/ole-wolff-2>.

## Partial victories

On the 29<sup>th</sup> of November 2007, the six women who were fired during the October 2006 strike were put in their right. They won their case at the second hearing of the district court. In March 2008, the workplace union managed to get the dues back, also after intervention of the court. In November 2008, the workplace union succeeded in making the company pay compensation to the six dismissed workers. They received 1300-1600 Yuan, and equivalence of two months wages.

## Current situation

In October 2008, OWY further downsized its Yantai workforce down to around 30 workers. The workplace union was left with eight members among the remaining workers, amounting to a severe crippling of the workplace union. In April 2009, Ole Wolff announced *'that we have stopped all operations in our Yantai factory due to serious drop in orders from our customers caused by the current economic crisis worldwide'*. Is this a classic case of cutting and running, of a company dodging its responsibility for its ex-workers? In all events, Globalization Monitor stresses that Ole Wolff has not been relieved of its obligation to respond to its ex-workers outstanding demands, including adequate compensation, and the handing over of workers' employment files. At the moment, the justified demand for acknowledgement of the workplace union as an equal interlocutor by the management is not applicable since the plant is no longer operational.



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