

China Labour Bureau Penalises Factories for Illegal Overtime Work

As well as monitoring whether labour-intensive companies are paying their staff on time and providing a working environment that is safe to work in, labour bureaus in China are now beginning to pay close attention to the working hours of those employed in physically-demanding jobs.

During April, the Labour and Social Security Bureau of Haizhu District, Guangzhou (Guangdong province) thoroughly inspected a number of local businesses. In the process, it was discovered that many labour intensive enterprises have a serious problem with excessively long working hours. One clothing factory organised workers into shifts of nearly 20 hours for a meagre monthly salary of only RMB1, 000. According to the Bureau, such work practices will be severely punished with some of these so-called sweatshops even being closed down for repeated infractions.

During the inspection process, it was discovered that workers of one clothing factory worked from 3pm to 10am the following morning and then started again from 3pm on the same day straight through to 3am the following morning. This working pattern of nearly 20-hour shifts continued with less than a day off per month. These inhuman working conditions have raised great concern from authorities.

The Haizhu District Bureau has been vigorously enforcing laws against illegal overtime work. Disciplinary action will be enforced at identified locations, including textile processing and clothing factories in Kangle and Lujiang, where the situation is judged to be very serious. Since April 16, authorities have investigated some 320 businesses and issued 'Timed Correctional Warrants' to 93 violators. An additional 41 'Notifications of Penalty' were issued to enterprises where overtime was more than three hours. In order to raise awareness of rights protection, the "Foreign Workers Protection of Rights Handbook" was also distributed to workers during the investigations.

Normally, examination of corporate social responsibility performance includes evaluating standard working hours as well as overtime hours to ensure legal protection of employee welfare. According to the labour laws of China, under normal circumstances, employers are not allowed to extend the working period. Extensions by up to one hour or less per day are only allowed after consultation with labour unions and employees – and when the production needs necessitate such action.

In special circumstances where longer overtime work is required, additional hours should not exceed three hours per day and 36 hours per month – again to protect employee welfare. Employers need to also guarantee that their employees have at least one day of rest every week. [★]



China Implementation of Work Safety Regulations on Accident Reporting and Investigation to start June 1st 2007

While China continues to experience rapid economic growth, providing a safe working environment has become a major challenge. Even basic precautions are often lacking in industrial sectors which have high accident rates including but not limited to mining, hazardous chemical works, construction and transportation. In order to adjust to new safety and production requirements, there is an urgent need to implement comprehensive and systematic rules for accident reporting and investigation based on corporate experience and standard operating procedures.

The State Council passed the Work Safety Regulations on Accident Reporting and Investigation in late March of this year. The regulation was signed by Premier Wen Jia Bao on April 9th 2007 and will come into effect on June 1st 2007.

These new regulations will standardise reporting and investigation in the event of an accident, clearly define liability for parties involved, help to prevent and reduce accidents in working environments and provide clear guidelines for reporting and investigation.

According to the regulations, accidents are classified into four categories: 1. Extremely serious accidents, 2. Serious accidents, 3. Rather serious accidents and 4. General accidents

1. Extremely serious accidents cause the deaths of more than 30 people or the serious injury (including acute industrial poisoning) of more than 100 people, or direct financial loss of more than RMB100 million.



2. Serious accidents cause the deaths of 10-30 people, or the serious injury of 50-100 people, or direct financial loss of RMB50-100 million.

3. Rather serious accidents cause the deaths of 3-10 people, or the serious injury of 10-50 people, or direct financial loss of RMB10-50 million.

4. General accidents cause the deaths of three or less people, or the serious injury of 10 or less people, or direct financial loss of less than RMB10 million.

When an accident occurs, staff on site should immediately report to the person or persons in charge. Those individuals then have one hour to report to the work safety department or its affiliates and equivalents



in provincial government (or higher). The work safety department or its affiliates should further report to its supervising authority according to the classification of the accident. They should update the accident's status to their higher authorities within two hours.

Under requirements in the regulations, investigation teams should comprise of members from the government, work safety department, work safety affiliated department, monitoring institution, public safety institution, labour union and the People's Procuratorate. Members of the investigation team should not have any direct relation or commercial interest with the company or operation where the incident took place. The investigation report must be submitted within 120 days.

These regulations have also increased the severity of penalties. The highest penalty for the site of an accident is RMB2-5 million. The highest penalty for the person

in charge, managerial staff and others who have direct liability is 60-100% of their annual income for the previous year. The operational permit of the guilty party may be also be seized or invalidated. The work safety certification or license of the person in charge may be suspended or revoked according to the law.

In order to encourage accident reporting by the general public and reinforce social accountability, the regulations also require work safety departments and other associated departments who are responsible for work safety management establish a duty system for handling reports from the public.

Provision of a safe working environment forms a key element of all Social Codes. Both performance and management systems are inspected during social audits.[*]

WAGE INFORMATION

Minimum Wages in Hubei Province – Updated

District	City / Town	Updated Minimum Wage	Effective from
Shiyan	Shiyan city, Yichang city and downtown area of Huangshi	RMB 500 / month	1 March 2007
Wuhan	Wuhan city Jiangan district, Jiangnan district, Qiaokou district, Hanyang district, Wuchang district, Qingshan district, Hongshan district	RMB 580 / month	1 March 2007
Wuhan	Jiangxia, Caidian, Hannan, Dongxihu, Huangbi, Xingzhou	RMB 460 / month	1 March 2007
	Downtown area of Xiangfan city, Erzhou city, downtown area of Jingmeng city, Xiaogan city, downtown area of Jingzhou city, downtown area of Xianning city, Chibi city, Jiayu town, Xiantao city, Qiangjiang city, Dazhi city, downtown area of Suizhou city	RMB 460 / month	1 March 2007

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