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## Chinese factory workers cash in sweat for prosperity

By Richard Read, The Oregonian

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Richard Read/The Oregonian

Hu Kaixia, 40, sells fruit in Nan Hu, a town in China's Anhui province. Hers is one of many small businesses springing up as workers who made Nike sneakers, Columbia Sportswear apparel and other products move back home to China's interior, building houses and boosting the rural economy.

WUHU, China -- Years after activists accused Nike and other Western brands of running Third World sweatshops, the issue has taken a surprising turn.

The path of discovery winds from coastal factory floors far into China's interior, past women knee-deep in streams pounding laundry. It continues down a dusty village lane to a startling sight: arrays of gleaming three-story houses with balconies, balustrades and even Greek columns rising from rice paddies.

It turns out that factory workers -- not the activists labeled "preachy" by one expert, and not the Nike executives so wounded by criticism -- get the last laugh. Villagers who "went out," as Chinese say, for what critics described as dead-end manufacturing jobs are sending money back and returning with savings, building houses and starting businesses.

Workers who stitched shoes for Nike Inc. and apparel for Columbia Sportswear Co., both based near Beaverton, are fueling a wave of prosperity in rural China. The boom has a solid feel, with villagers paying cash for houses.

"No one would take out a mortgage to build a house," said Wang Jianguo, 37, who returned after a factory injury in a distant province to the area near Wuhu, west of Shanghai. "You wouldn't feel secure living in a house you didn't own."

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In the end, market forces and ambition, not activism or corporate initiatives, pushed up wages and improved working conditions. The forces originally unleashed by the late Chinese leader Deng Xiaoping still drive China's economy, producing a manufacturing labor shortage and giving villagers viable choices beyond factory work.

### China's rural boom



Improved living standards don't negate criticism by activists who castigated the outsourcing industry, especially Nike, a 1990s lightning rod for allegations of low pay and onerous working conditions. Abuses continue in some plants, especially those unconnected to international brands.

But longtime activists acknowledge that the sweatshop issue has lost steam, at least concerning China. Conditions and wages have improved, says Jeffrey Ballinger, a critic who still dismisses corporate-responsibility programs -- in which Nike, Columbia and other companies set standards and inspect factories -- as spin.

"My complaint always was they should have been able to make that kind of wage without working 70 hours a week," said Ballinger, a McMaster University doctoral candidate in political science. He wants the Obama administration to push countries to require higher "living wage" levels.

Medea Benjamin used to accuse Nike of exploiting factory employees. She says pay and conditions have improved because of worker demands, international pressure and compliance programs introduced by the shoe giant, Columbia and other brands. The days of indentured servitude are gone, says Benjamin, founding director of Global Exchange, a San Francisco human rights organization.

"Workers have options," Benjamin said. But she would prefer to see U.S. workers making Nikes for the American market.

### \$220 a month

Nike drew flak as it moved contract manufacturing from South Korea and Taiwan in the 1980s to China, Indonesia and ever cheaper labor markets. Its expansion in China came during the 1990s as Deng, the legendary reformer, opened the communist nation's economy.

That opening led to the largest migration in human history. Tens of millions of villagers left home for coastal areas to earn a pittance by Western standards.

Today China has about 130 million migrant workers. Migrants can expect grueling work at minimum wage. They become anything from garbage collectors to waiters to prostitutes to nannies to the assembly-line workers who power China's export machine.

The average employee at Ever Rich Knitting Garment Co.'s plant near Guangzhou, China, makes \$220 a month, which can double during busy seasons.

The pay is minuscule by Western measures. But Mon Xijian, a 31-year-old who has worked at Ever Rich since 1996, has saved enough with his wife, who also works there, to buy a six-unit apartment building back home.

The couple don't recommend the lifestyle. They see their two children -- who live at home with Mon's in-laws 1,200 miles away -- every year or two. Yet Mon far prefers factory work to farming. He's saving to send his son and daughter to college so they can escape both.

"I want them to get as much higher education as possible," said Mon, who irons Columbia garments.

Chu Zhiling, a young woman at Beijing Topnew garment factory, sends 80 percent of her income home to Inner Mongolia -- a region with 19 percent economic growth last year, the highest in China.

"I'd like to open a shop, like my friend who has a boutique selling coats," Chu said. "Now that I've seen the world, I have so many more choices than my parents had."

U.S. journalist Leslie Chang followed young Chinese assembly-line workers for her recently published book, "Factory Girls." Chang says money sent home, and migrants moving back, are changing rural China.

Line workers, she says, can earn several times the average \$200 annual income of a farm family.

"They're sleeping 12 in a dorm, and it looks like a pretty crappy life," Chang said. "But you don't hear workers say, 'Oh, I have no hope, I'm a slave.' They say, 'I want to save some money. My dream is to be Bill Gates or to own a restaurant.'"

Chang views sweatshop critics as condescending. She notes that the 19th-century U.S. industrial economy developed in a similar way, as Vermont and New Hampshire farm girls migrated to work in Massachusetts textile plants, sending savings home. She says savvy Chinese workers, not preachy activists, are securing better conditions and wages in China's fast-developing economy.

Yet critics did push Nike and other companies to develop factory standards and inspections.

Nike executives declined to comment on the sweatshop issue's new turn. Hannah Jones, Nike vice president of sustainable business and innovation, said through a spokeswoman that factory jobs are steppingstones for many young women in emerging economies.

"They learn financial and job skills that can take them on to other jobs or back to their home communities," spokeswoman Kate Meyers said.

### Laborers start fish resort

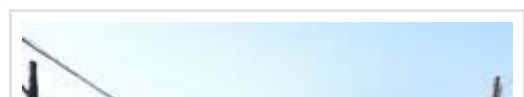
That formula is working -- after two decades -- for Chen Laixiang, a 40-year-old villager from Anhui province, long one of China's poorest inland areas. Chen's face is weathered and his hands callused from working outside for 20 years, pouring concrete in cities ranging from Nanjing to Beijing.

Now Chen and his brother, a woodworker, are back -- starting a business in Zhi Chang, their native village. They won permission to lease land and enlarge a pond.



Richard Read/The Oregonian

Employees at Ever Rich Knitting Garment Co. assemble clothing in Panyu, China, for Columbia Sportswear Co., the brand based near Beaverton. Plant workers may live thousands of miles from families, but many send savings home, fueling an economic surge in China's rural interior.



The brothers are stocking the pond with fish. As 50-50 partners, they took a small-business class and invested \$22,000 to build a fishing resort.

"I don't want to live in other cities anymore," Chen said. "I want to promote the local economy."

Nearby in the town of Nan Hu, returnee Zhang Litian operates a one-van taxi service. He used to drive a forklift at a chemical factory in Anhui's capital city, saving almost \$1,500 a year.

"Staying home is better," said Zhang, 42, a father of two. "Now I can earn much more money than working outside."

The global economic crisis forced many migrants -- perhaps 10 million to 20 million -- home to the countryside. Factories that exported to the United States and other consumer nations laid off workers in droves.

Chinese leaders fretted about the potential for protests by unemployed migrants. But many of the jobless found or created opportunities back in their villages or in nearby towns.

Beijing mounted a stimulus program that included economic development in the hinterland. The rural surge boosts the economy just as other nations look to China to lead the world out of recession.

China's economy barrels ahead, with 8.7 percent growth last year and double-digit expansion expected this year. In a surprising reversal, economic growth of several inland provinces such as Anhui surpasses growth in recession-battered coastal regions, which long led China's development.

Anhui has attracted factories. Workers in the plants have dreams. Like almost all the young women in her village, Zhang Yuan went out to work in a garment factory.

"Living in the countryside, you feel like a bird in a cage, not knowing the world outside," said Zhang, a petite 19-year-old who sews garments in Shanghai Silk Group's plant in Xuan Cheng, Anhui.

Zhang lives in a factory dorm during the week. She spends weekends at home, 40 minutes away by bus. Her parents, a driver and a housewife, have used money she earned during the last year to buy a fridge, a color television and a motorbike.

"If we go outside, we may encounter a lot of difficulties," said Zhang, who aims to open a clothing shop someday. "But even if we try and fail, we will never feel regret."

-- **Richard Read**

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Chen Laixing, 40, worked construction for 20 years away from Zhi Chang village in Anhui province. Now he's back with savings that he's investing in a fishing resort. He and his brother excavated a pond, stocked it with fish and have begun building guesthouses.