



2018 Snapshot Study of Young Workers in China's Manufacturing Sector

A study by the Center for Child Rights & Corporate Social Responsibility
(CCR CSR) and the CSR Centre at the Embassy of Sweden in Beijing

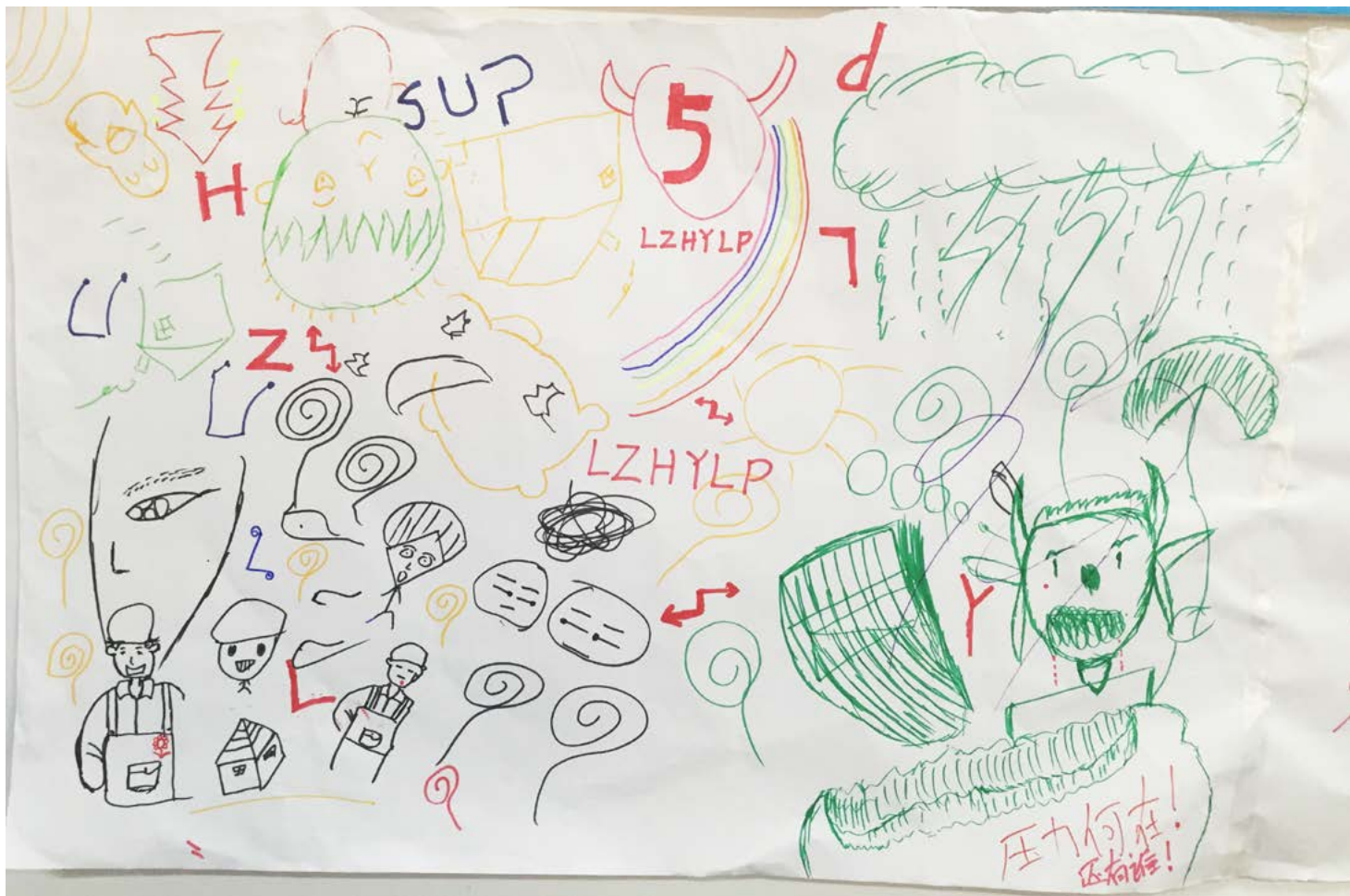


Image: drawings from young workers at a factory in Huizhou, Guangdong Province during CCR CSR's young worker training in 2016.

Research and design: CCR CSR

Cover photo: Mats Lignell

"2018 Snapshot Study of Young Workers in Manufacturing Sector" is a study carried out by the Center for Child Rights & Corporate Social Responsibility (CCR CSR) in 2018 in collaboration with the CSR Centre at the Embassy of Sweden in Beijing.

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CONTENTS

INFOGRAPHIC OF KEY RESULTS		1
BACKGROUND AND INTRODUCTION		2
LABOUR TRENDS AND ATTITUDES TOWARDS YOUNG AND JUVENILE WORKERS	<ul style="list-style-type: none">Ratio of Young and Juvenile Workers in the Export Manufacturing SectorChanging Age of the Workforce and Labour ShortageChallenges for the Manufacturing Industry and Child RightsMinimum Age Regulations and Exclusion of Juvenile Workers	<ul style="list-style-type: none">3455
YOUNG AND JUVENILE WORKER MANAGEMENT	<ul style="list-style-type: none">Challenges of Young Worker ManagementChallenges of Juvenile Worker Management	<ul style="list-style-type: none">67
KEY CHARACTERISTICS OF YOUNG WORKERS	<ul style="list-style-type: none">GenderEducationPsychological WellbeingKey Characteristics of Juvenile Workers	<ul style="list-style-type: none">891011
THE SITUATION AND NEEDS OF YOUNG AND JUVENILE WORKERS	<ul style="list-style-type: none">Main Concerns and Worries of Young WorkersConditions/Situation at WorkThe Situation and Needs of Juvenile Workers	<ul style="list-style-type: none">121319
KEY CHALLENGES	<ul style="list-style-type: none">Major Gaps in Supporting Young WorkersMajor Gaps in Supporting Juvenile Workers	<ul style="list-style-type: none">2223
WHAT MAKES YOUNG AND JUVENILE WORKERS STAY	<ul style="list-style-type: none">What Young Workers Seek in EmploymentYoung Worker Demographics and RetentionJob Satisfaction and RetentionWhat Makes Juvenile Workers Stay	<ul style="list-style-type: none">24252628
CONCLUSION		29
APPENDICES	<ul style="list-style-type: none">Study SpecificsCheck-list for Setting up Youth Development Support SystemsYoung Workers' StoriesList of Partner Brands/Buyers for the Study	<ul style="list-style-type: none">33383941

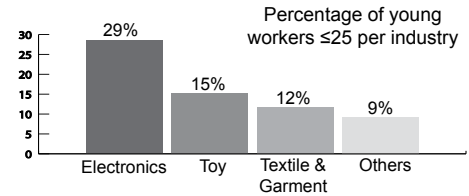
INFOGRAPHIC OF KEY RESULTS



CHINA'S MANUFACTURING LABOUR FORCE IS GETTING OLDER



68% OF FACTORIES REPORT THAT THE AGE AMONGST THEIR WORKERS IS INCREASING

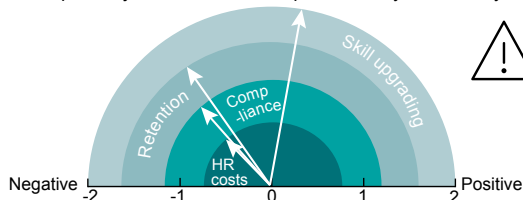


JUVENILE WORKERS 16,17 YEARS OLD

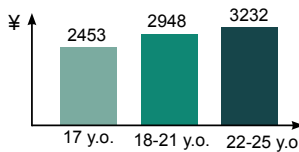
ONLY **12% OF FACTORIES HIRE JUVENILE WORKERS** AND 1/5 OF BUYERS DISCOURAGE THEIR FACTORIES FROM HIRING JUVENILE WORKERS

JUVENILE WORKERS ARE CONSIDERED A RISK

Impact of juvenile workers as perceived by brands/buyers



JUVENILE WORKERS EARN LESS



JUVENILE WORKERS **WORK LONGER** THAN LEGALLY ALLOWED

84% > 40 hrs
28% > 50 hrs

ALL YOUNG WORKERS (16-25 Y.O.) WORRY ABOUT:

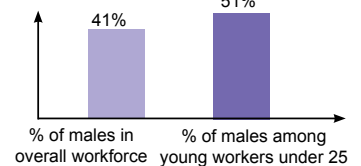
1. Their parents
2. Their future
3. Their safety
4. Work performance
5. Job security

YOUNG WORKERS 18-25 YEARS OLD

90% OF SUPPLIERS THINK YOUNG WORKERS ARE ESSENTIAL TO THE DEVELOPMENT OF A HIGHER SKILLED WORKFORCE

44% OF FACTORIES REPORT HIGHER TURNOVER AMONG WORKERS UNDER 25

THERE ARE **MORE MALES THAN FEMALES** AMONG YOUNG WORKERS UNDER 25

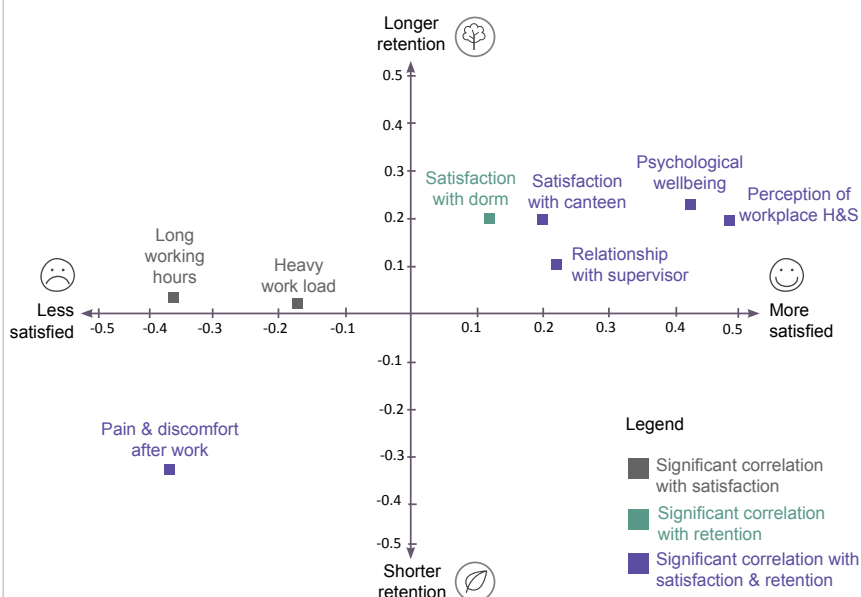


55% OF YOUNG WORKERS DID NOT CONTINUE BEYOND COMPULSORY EDUCATION

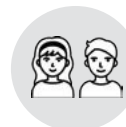
ONLY **38% OF ALL YOUNG WORKERS (16-25 Y.O.) RECEIVED ON-BOARDING TRAINING** WHICH INCLUDED HEALTH & SAFETY, FACTORY REGULATIONS, WORKING HOURS AND WAGES

THIS CREATES SIGNIFICANT CHALLENGES FOR YOUNG WORKERS AND THE MANUFACTURING SECTOR

WHAT CAN INCREASE SATISFACTION & RETENTION?



- AGING WORKFORCE
- HIGH EMPLOYEE TURNOVER
- LABOUR SHORTAGE



- MINIMAL PROTECTION
- FEW OPPORTUNITIES
- VERY LIMITED SUPPORT

OUR RECOMMENDATIONS

- SET UP YOUTH DEVELOPMENT PROGRAMMES FOR JUVENILE WORKERS
- CREATE ADVANCEMENT OPPORTUNITIES AND MAKE SURE TO COMMUNICATE THEM TO YOUNG WORKERS
- IMPROVE ON-BOARDING ACTIVITIES TO INCLUDE CLEAR GUIDANCE ON HEALTH & SAFETY, FACTORY GUIDELINES, WAGE CALCULATIONS AND WORKING HOURS

BACKGROUND AND INTRODUCTION

This study was conducted by CCR CSR with the support of the CSR Centre at the Swedish Embassy in Beijing, which strives to generate up-to-date and relevant data on topics related to corporate social responsibility in China. CCR CSR, whose mission is to understand the impact of business on children and young people, has an ongoing commitment to improve understanding of young workers' situations and their challenges, to identify the gaps in fulfilling their rights at the workplace and to design better programmes in supporting them.

News reports in recent years have shed a light on China's aging labour force, a result of the country's decades long one-child policy. There have been reports that the manufacturing sector is already feeling the impact, struggling to attract younger workers and battling with increasing labour costs¹. Some reports forecast more implications in the near future. Effective management of young workers aged 16-25 – with the aim of retaining them and developing their skills – is recognized as a growing challenge to efficient supply chain operations.

This study expands on CCR CSR's previous related studies and compiles data from online surveys with 46 suppliers and 27 brands/buyers, on-site worker surveys with 525 young workers (aged 25 or younger), and interviews and focus group discussions with 13 juvenile workers under the age of 18².

The study's goal is to develop better understanding of:

1. The demographic changes of young workers in export manufacturing sector and the possible implications of the recent trends
2. The challenges in young/juvenile worker management and what should be done to ease those challenges
3. How the situation of young workers and conditions at work might be associated with their overall physical and mental health as well as their job satisfaction and retention
4. The possible gaps in supporting young/juvenile workers and the highest risks in their protection

1. <https://www.nytimes.com/2007/08/29/business/world-business/29labor.html>

2. Please refer to Appendix 1 for details about the study design



1. LABOR TRENDS AND ATTITUDES TOWARDS YOUNG AND JUVENILE WORKERS

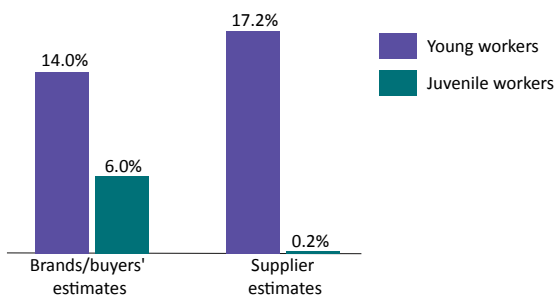
1.1 RATIO OF YOUNG AND JUVENILE WORKERS IN THE EXPORT MANUFACTURING SECTOR

As a first step, we set out to understand to what extent juvenile and young workers are part of China's export manufacturing sectors. We used three sources to estimate the ratio of young and juvenile workers: 1) brand/buyer representatives' estimate about their suppliers' worker composition through a brand/buyer survey 2) factories' self-reported numbers from a supplier survey; 3) data from our project factories since 2016 where we have access to their full workers list³.

Based on this data, around 12% of 1st tier suppliers employ juvenile workers (aged 16 to 17), which accounts for approximately 0.2% of the total workforce. 97% employ young workers (aged 25 or younger), which represent approximately 17% of their total workforce.

Chart 1 compares the percentages of young and juvenile workers as estimated by brands/buyers and the percentages indicated by suppliers⁴. As the chart shows, even though the buyers and suppliers' estimates of young workers are quite close, we see a rather large disparity in estimates related to juvenile workers: brands estimate there to be a much higher percentage of juvenile workers than suppliers.

CHART 1: PERCENTAGE OF YOUNG AND JUVENILE WORKERS IN THE EXPORT MANUFACTURING SECTOR

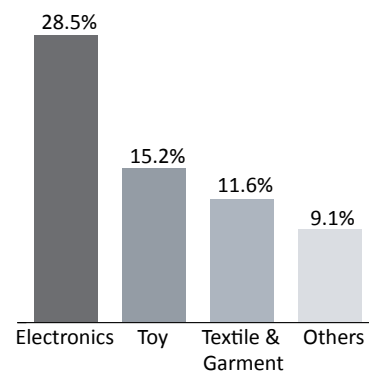


- All 20 CCR CSR project factories since 2016 had young workers aged 25 or younger in their workforce. However, only 15% of them had juvenile workers. These ratios are slightly lower for the 46 surveyed factories, as 95% of them had young workers and 10% had juvenile workers in their workforce. As the young/juvenile worker statistics in our project factories and surveyed factories are in a close enough range, we used the average results from these two sources to obtain an estimated percentage of young and juvenile workers in the 1st tier suppliers of international brands.
- According to the brand/buyer survey, 37% of the brands/

A range of reasons might explain such a gap in juvenile worker estimates⁵, but the key takeaway is that the number of young workers, especially juvenile workers in 1st tier factories, is quite small, and smaller even than the brands' estimate. When comparing the data, we can confirm from previous reports⁶ that electronics factories in general attract significantly more young workers than others (Chart 2). What is unexpected is that the toy industry, often known for the relatively higher average age of the workforce, has the 2nd highest percentage of young workers (Chart 2).

Only 12% of factories in our sample are hiring juvenile workers.

CHART 2: YOUNG WORKERS BY INDUSTRY⁷

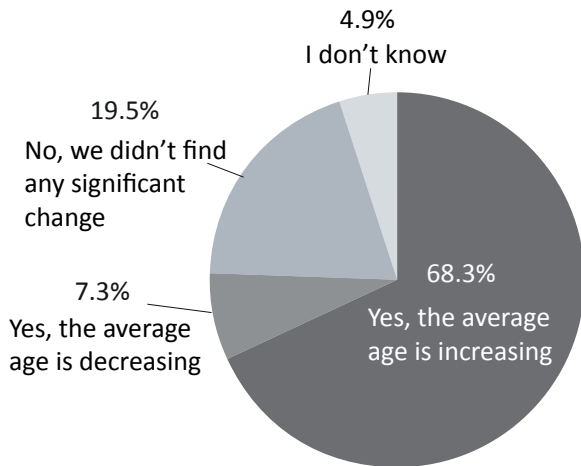


- buyers have an estimate of young workers (who are aged 25 or younger), and 52% have an estimate of juvenile workers (16-17 years old) in their supply chains in China.
- Explanatory note: The most obvious reasons could be that brands/buyers' estimates include juvenile workers in their supply chains in China – not just their 1st tier factories.
- Staying On: A Study on Young Workers in the Electronics Industry, 2015, CCR CSR.*
- Data from worker lists of CCR CSR project factories since 2016.

1.2 CHANGING AGE OF THE WORKFORCE AND LABOUR SHORTAGE

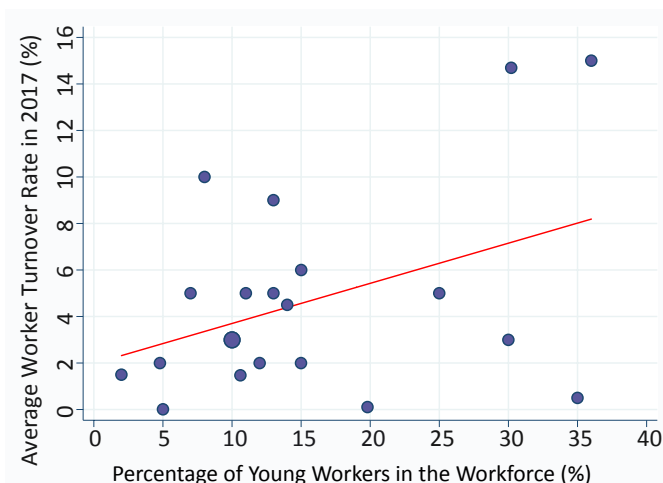
Recent reports from various sources have been showing an upward trend in the average age of the Chinese workforce. When we asked suppliers about the change in their workforce, 68% said the average age of their workforce has been increasing in the past five years and only a minority (7%) says it is decreasing (Chart 3).

CHART 3: CHANGE IN AVERAGE AGE OF THE WORKFORCE



"A Snapshot Study of China's Young Workers in 2015" made a comparison between young and older workers' intentions to stay in their current jobs, and found that young workers were indeed less likely to stay⁸. The data of this study reiterates that finding. We found that amongst the suppliers who provided us with their turnover data from 2017, the turnover rates are significantly correlated with the percentage of young workers employed there: the suppliers with a higher percentage of young workers tend to have higher turnover rates⁹ (Chart 4).

CHART 4: PERCENTAGE OF YOUNG WORKERS IN THE WORKFORCE VS. TURNOVER RATE



The trend that the workforce has gotten older and that younger workers are more difficult to retain is in tandem with an ongoing labour shortage reported both by the brands and their suppliers.

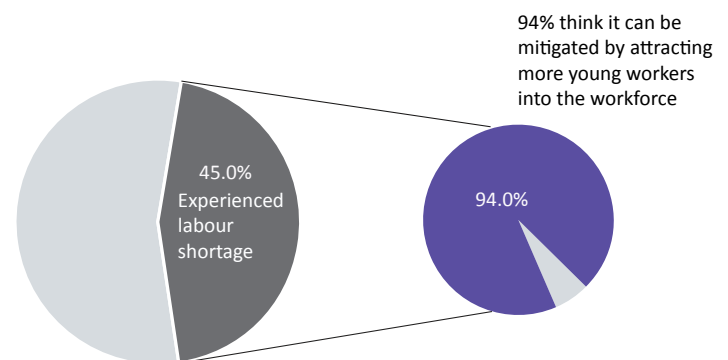
All except one brand/buyer think labour shortage has been an issue for most or at least some of their suppliers in recent years.

Both the brand/buyer survey and the supplier survey results indicate that a significant number of factories have been facing labour shortage in the past one year. According to half of the surveyed brands/buyers (50%), most of their suppliers have been facing labour shortage in recent years, and the other 45% say some suppliers are facing labour shortage.

45% of the surveyed suppliers have faced labour shortage in the past one year.

As for the surveyed suppliers, 45% of them experienced labour shortages in the past one year. Out of this group, 94% believe that the shortage can be mitigated by attracting more young workers into the workforce (Chart 5). Chapter 6 will discuss in detail how brands/buyers and suppliers think they could invite more young workers into the workforce, and more importantly, could keep them longer in their factories.

CHART 5: SUPPLIERS EXPERIENCING LABOUR SHORTAGE IN THE PAST ONE YEAR



8. A Snapshot Study of China's Young Workers in 2015, 2015, CCR CSR.

9. The correlation is $r = 0.5203$, $\text{sig} = 0.0130$.

1.3 CHALLENGES FOR THE MANUFACTURING INDUSTRY AND CHILD RIGHTS

We can draw our initial conclusions that the average age of those working for 1st tier manufacturers tends to be increasing, that very few juvenile workers are hired, that factories struggle to retain young workers, and that the industry as a whole battles with labour shortage.

This result is not surprising. A range of data has shown that, in parts due to the one child policy in place from 1979 to 2016, China's young labour resource has been shrinking¹⁰. However, as some of the data in this report will show, there is also evidence that the low number of young workers is in part self-made and related to compliance practices and management practices.

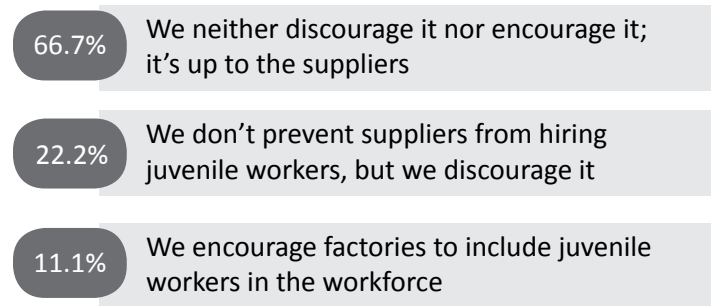
We consider the low number of juvenile workers and the high turnover of young workers a risk both for the manufacturing industry and for child rights. First, it creates significant challenges for the future of manufacturing: while automation will play an important role to offset some of the labour shortage, it will be crucial for the manufacturing industry to attract young workers and cultivate a generation of skilled and trained workers, who are in a position to handle the manufacturing needs of the future.

Second, our study data shows that only 45% of the surveyed young workers continued schooling after the 9-year compulsory education. Few juvenile workers we interviewed had any intentions of resuming their education beyond middle/lower secondary school¹¹. In certain rural areas, estimates suggest that more than half of the youth drop out from secondary education prior to senior high school (approximately 15 years of age)¹². This hints to a need to create opportunities for youth under 18. However, the first-tier manufacturing industry does not seem to provide these opportunities.

1.4 MINIMUM AGE REQUIREMENTS AND EXCLUSION OF JUVENILE WORKERS

What are the possible reasons for such a low ratio of juvenile workers in 1st tier suppliers? 98% of the surveyed factories said they set the minimum age requirement based on client request. While it is true that most suppliers do not encourage hiring juvenile workers (see Chart 6), only one buyer participating in this survey has set the minimum age for employment in their supply chain to 18.

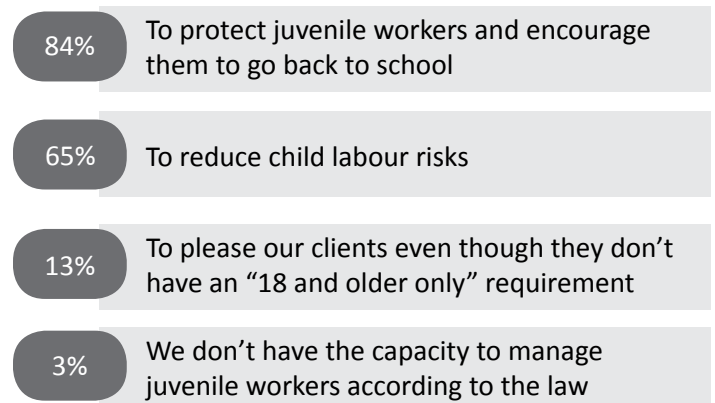
CHART 6: WHAT IS YOUR COMPANY'S STANCE ON SUPPLIERS HIRING JUVENILE WORKERS?



If client requirement is not the main reason for excluding juvenile workers from their workforce, then what is? Many factories say that excluding juvenile workers from their hiring practices is for their own protection or to encourage them to go back to school (Chart 7). There is, however, little evidence to suggest that juvenile workers will stay in school if not provided with work opportunities (more on this see Chapter 3).

Apart from showing good intentions to protect such young workers, for the majority of factories the main reason for excluding juvenile workers is to reduce child labour risks (Chart 7). Child labour risks not only refers to the unintentional recruitment of workers under the legal age for employment, but also the scenarios when juvenile workers engage in hazardous work (doing tasks that are too heavy or dangerous in nature or working excessive hours). To avoid such issues, factories often opt not to hire juvenile workers, or in some cases, not to disclose such practices.

CHART 7: SUPPLIERS' REASONS FOR NOT HIRING JUVENILE WORKERS



10. "China's Labour Market: Shrinking Workforce, Rising Wages", 2016, China Daily.

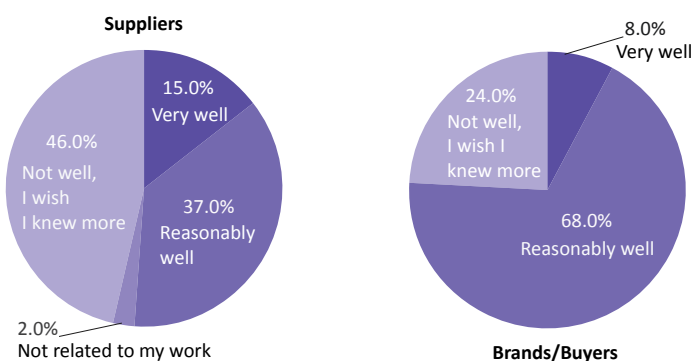
11. Please refer to section 3.2 for more information about the workers' education.

12. *Dropout in Rural China's Secondary Schools: A Mixed Methods Analysis*, 2015, The China Quarterly.

2. YOUNG AND JUVENILE WORKER MANAGEMENT

While hiring juvenile workers is rare, 97% of suppliers in this study have young workers in their workforce. When we asked suppliers how well they understand the needs and challenges of young workers, close to half (46%) of them indicated that they do not understand their young workers well. In comparison, surveyed brands seemed more confident about understanding young workers (Chart 8).

CHART 8: HOW WELL DO YOU THINK YOU UNDERSTAND THE NEEDS AND CHALLENGES OF YOUNG WORKERS? BRANDS/BUYERS VS. SUPPLIERS



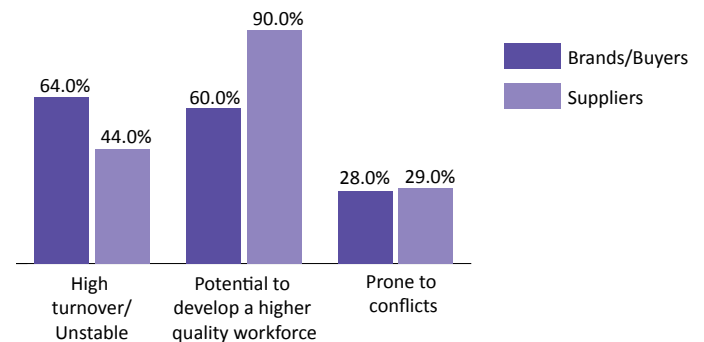
2.1 CHALLENGES OF YOUNG WORKER MANAGEMENT

As discussed in section 1.2, the increase in average age of the workforce is linked to factories' struggle to attract and retain younger workers who are said to be increasingly reluctant to work in a manufacturing job.

Before analyzing the reason why this might be the case, let's take a look at brands/buyers and suppliers' perception of young workers and the challenges in managing them, as those issues might interlink and become relevant in finding solutions to the problems of labour shortage and increasing labour costs.

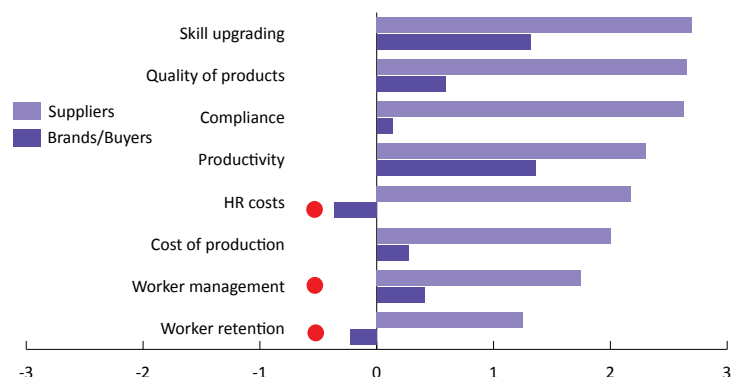
Chart 9 compares brands/buyers' perception of young workers with that of suppliers. While they almost equally agree on young workers being difficult to manage (lack of patience, prone to conflicts), suppliers seem to hold them in higher regard than their clients: a significantly lower percentage of suppliers see young workers as a very unstable workforce leading to high turnovers, and almost all (90%) acknowledge their potential to improve production quality because they can learn faster.

CHART 9: PERCEPTION OF YOUNG WORKERS: BRANDS/BUYERS VS. SUPPLIERS



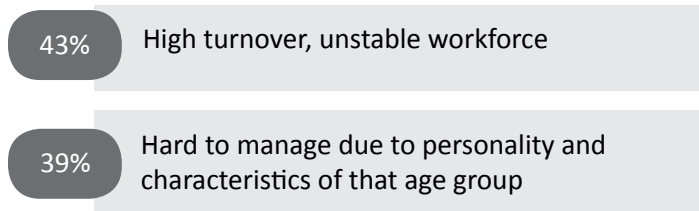
When we look at the perceived impact of young workers on various aspects of business operations, we discover two interesting points: 1) suppliers are significantly more optimistic, rating the impact of young workers on all aspects much more positively than their brand/buyer counterparts. However, the lowest ranked aspects overlap for both groups such as worker retention, HR costs and compliance, indicating that both brands/buyers and suppliers share similar concerns about young workers (Chart 10); 2) both brands/buyers and suppliers have much more positive views of the young workers in general than of the juvenile workers (see Chart 10 & 12).

CHART 10: THE IMPACT OF YOUNG WORKERS PERCEIVED BY BRANDS/BUYERS AND SUPPLIERS/FACTORIES



Indeed, as shown in Chart 11, when we asked suppliers about the biggest issues they face when managing their young workers, they agreed on the issues of turnover and the difficulty in managing them due to their special characteristics

CHART 11: WHAT DO YOU THINK ARE THE BIGGEST ISSUES YOU FACE WHEN MANAGING YOUNG WORKERS (INCLUDING JUVENILE WORKERS) IN YOUR COMPANY?

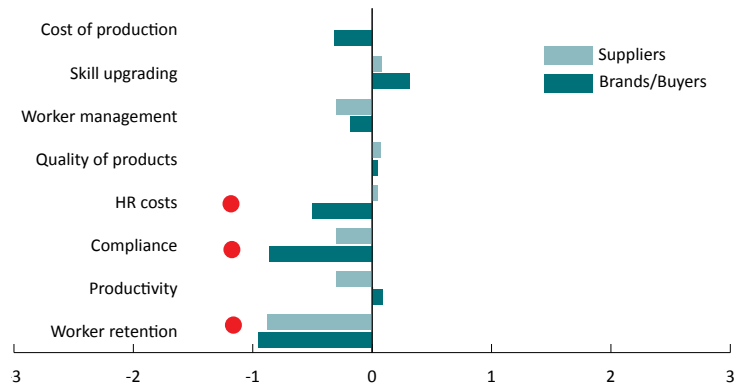


2.2 CHALLENGES OF JUVENILE WORKER MANAGEMENT

The vulnerability of juvenile workers who are under the age of 18 requires certain regulations at workplaces to protect them. Juvenile workers are prohibited from engaging in hazardous work, and are prohibited from working overtime or night shifts¹³. Additionally, some brands have their own health and safety regulations concerning juvenile workers that they impose on the factories to protect juvenile workers. And even though very few factories (3%) admit they lack the capacity to manage juvenile workers according to the law (Chart 7), the majority of suppliers still do not want to take the risk with their clients' compliance audits.

What we found from our brand and supplier surveys is that they share a common negative sentiment towards juvenile workers and their potential impact in various regards such as costs, management, productivity and turnover etc. Chart 12 demonstrates how they rate the possible impact of juvenile workers on those various aspects. As indicated in the chart, both agree that juvenile workers might have the most negative impact on worker retention and compliance, with brands/buyers holding significantly more negative views about impact on compliance. Brands/buyers are slightly more optimistic about juvenile workers' impact on "skill upgrading", but this optimism is not shared by the suppliers.

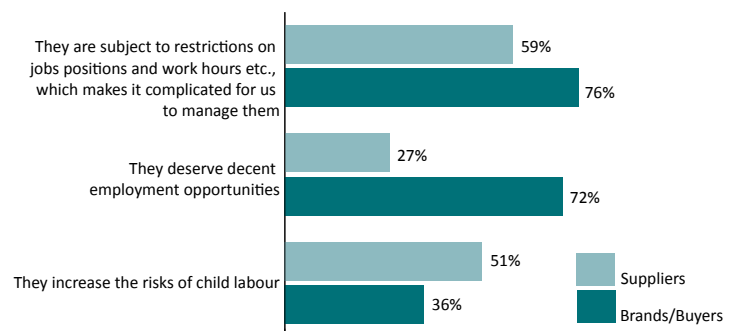
CHART 12: THE IMPACT OF JUVENILE WORKERS PERCEIVED BY BRANDS/BUYERS AND SUPPLIERS/FACTORIES



Brands and suppliers largely consider the impact of juvenile workers on a factory's operation to be negative.

Both brands/buyers and factories agree by a majority that the regulations on juvenile workers makes it complicated to manage them. Significantly more suppliers believe hiring juvenile workers also increases the risks of child labour, and suppliers are less likely to think juvenile workers deserve decent employment (Chart 13).

CHART 13: WHAT IS YOUR PERCEPTION OF JUVENILE WORKERS?



As for the support given to suppliers to help them manage young/juvenile workers, almost all the training provided to suppliers by brands/buyers were related to compliance elements such as brand code of conduct and sustainability standards, local laws and regulations, child labour prevention etc. There were only a few exceptions whereby suppliers took part in young worker training through CCR CSR. 56% of the surveyed brands provide compliance-related training for a total of 2858 suppliers (there could be overlaps). 65% of the surveyed suppliers received training on relevant laws/regulations about juvenile workers from their brand clients; and 52.5% of them received training about how to manage young/juvenile workers.

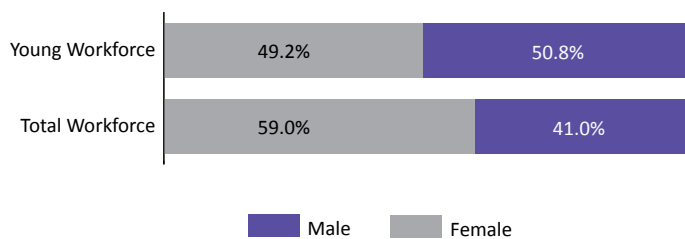
13. Article 33 of the "Provisional Regulations of The People's Republic of China on Private Enterprises" states: "It is forbidden to arrange overtime work for juvenile, pregnant and lactating female workers." Furthermore, juvenile workers are prohibited from working overtime or doing night shifts in two provinces: Liaoning and Gansu. All interns in China are prohibited from working overtime or night shifts (see ILO's Convention C006 "Night Work of Young Persons (Industry) Convention, 1919 (No. 6)" and ILO's C001 - Hours of Work (Industry) Convention, 1919 (No. 1)"). Source: https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C006, https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO:12100_P12100_INSTRUMENT_ID:312146:NO.

3. KEY CHARACTERISTICS OF YOUNG WORKERS

3.1 GENDER

In the first several decades since the opening up policy, female workers dominated China's export manufacturing sector along the coastal areas. According to Geoffrey Crothall of China Labour Bulletin: "Those factory owners recruited young women specifically because they thought they would be hard working, obedient and relatively docile." In her book *Factory Girls*, published in 2008, Leslie Chang estimated that 70% of the workers in the large manufacturing city of Dongguan were women¹⁴.

CHART 14: GENDER RATIO OF TOTAL WORKFORCE VS. YOUNG WORKFORCE

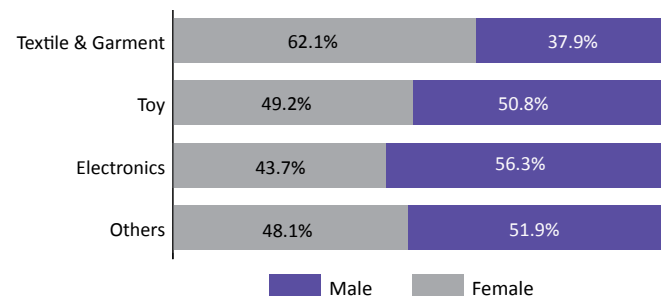


Our study used the workforce data of our project factories to estimate the percentage of female workers in the export sector. The data shows that while the female workers still constitute the majority in the export manufacturing sector, young male workers have started to dominate the young workforce, changing the face of the export manufacturing sector along the coast¹⁵.

"Factory boys" are the new face of the manufacturing sector along the coastline as male workers are overtaking females amongst the workforce under 25.

The study shows that gender ratio differs between industries. As shown in Chart 15, the textile & garment industry has the highest concentration of young female workers, which is in line with the general worker demographics of this industry. All other industries in our sample have fewer young female workers than males.

CHART 15: YOUNG WORKER GENDER RATIO BY INDUSTRY



The reasons for the decreasing ration of young female workers in manufacturing could be manifold. One possible explanation is the shrinking labour market that is forcing factories to hire male workers despite their preference for female workers. Furthermore, China's One Child policy resulted in more boys than girls, making young male workers much more abundant. Another reason may be the growing education levels of females and a rapid increase of female enrolment in higher education. According to the National Bureau of Statistics, in 2016 more women were enrolled in higher education than men for the first time. Data from the National Bureau of Statistics also shows that the number of female employees in urban regions has been growing significantly in recent years, up 34% from 2010, suggesting that females are increasingly looking towards large urban centers for opportunities rather than in industrial zones¹⁶.

The changing face of the manufacturing sector might create a whole new set of challenges for factories in terms of young worker management, as this demographic is often perceived as restless, unstable and hard to manage. In the following chapters, we will describe the characteristics, needs and challenges of the young workforce. We will consider gender differences where they are statistically significant.

14. *Factory 'Boys': The Changing Face of China's Production Lines*, 2013, Chinese society.

15. With some reservation, we would like to remind the reader that our data may not represent all industries equally, and thus, the overall result might be skewed by over-representation of certain industries. For example, the toy industry represents 63% of the young workers in our sample.

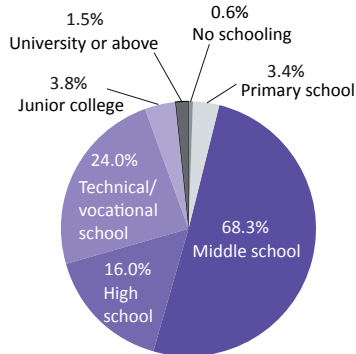
16. "Women dominate higher education in China", 2017, Xinhua News.

3.2 EDUCATION

Only 45% of the young workers continued schooling beyond the 9-year compulsory education.

Mirroring the results from our other studies, such as the one on working parents in 2017¹⁷ and a snapshot study on young workers in 2015¹⁸, most surveyed young workers completed middle school, which is compulsory in China. Significantly more young workers graduated from technical or vocational schools than from high school (Chart 16). As for the level of education, there is no significant difference between male or female workers in our sample.

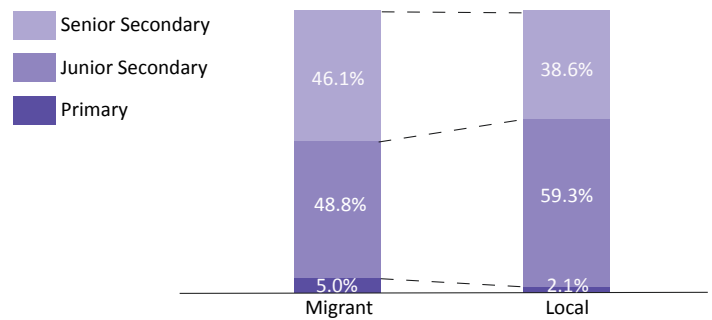
CHART 16: EDUCATION LEVELS OF YOUNG WORKERS



Education and Migration Status

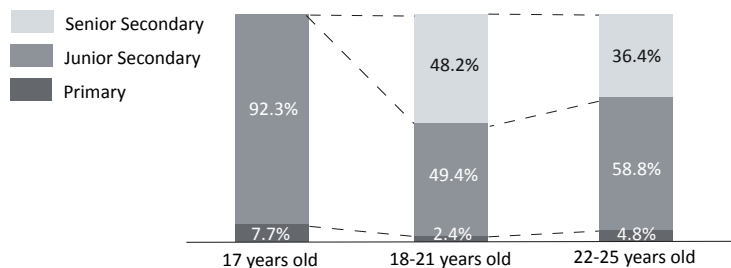
An interesting observation is that the education levels of migrant workers on average are significantly higher than those of local workers. Excluding the outliers of “no education” and “college/university education”¹⁹ and only comparing primary, junior secondary (middle school) and senior secondary education²⁰, Chart 17 shows that the percentage of migrant workers completing senior secondary school is significantly higher than that of local workers. This result is a vivid contrast with the one from our parent study in 2017²¹, where we found that “local workers are better educated than their migrant counterparts”. We wonder if this disparity in the results comes from the difference in average ages of these two samples: the parent study sample had an average age of 34.3 years and those workers belonged to a different generation than the young workers of this study. We might derive from this result that young locals with higher level of education do not enter the manufacturing sector anymore, but have other choices, whereas these choices are still elusive for the young migrant workers.

CHART 17: EDUCATION LEVELS OF YOUNG WORKERS BY MIGRATION STATUS



We also looked at the relationship between age and education levels within our sample, and discovered a significant negative correlation between age and education levels: the younger the workers are, the higher the level of education they tend to have²² (excluding juvenile workers). Chart 18 compares the education levels of three age groups within the young worker sample: 17-year-olds (juvenile workers), 18-21-year-olds and 22-25-year-olds. As shown in the chart, a significantly higher percentage of 18-21-year-olds have completed high school education than 22-25 year-olds. For all groups however, it is quite telling that less than 50% have a senior secondary education. This means that around half of them dropped out of school before reaching the age of 18.

CHART 18: EDUCATION LEVEL BY AGE GROUP



The worker survey data found that young workers' education levels varied depending on the industry they work in. Common feedback we get from suppliers and brands/buyers is that the electronics factories attract more young workers and especially young workers with higher levels of education. The study confirms this assumption. As seen in Chart 19, the senior secondary education completion rate is highest among the workers in electronics factories and lowest among the textile/garment workers²³.

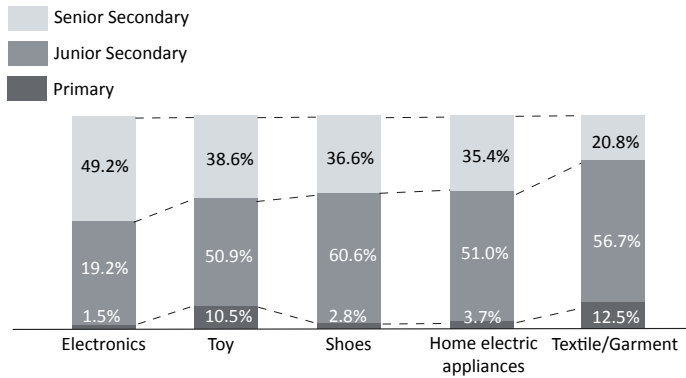
19. “No education” and “college/university education” together consist of 6% of the sample.

20. Senior secondary education includes high school and technical/vocation schools.

21. *From Factory with Love: A Study on Migrant Parent Workers in China*, 2017, CCR CSR.

22. The youngest workers in the survey are 17 years old. We only have 13 juvenile workers in the sample, so this result may not represent the actual education levels of juvenile workers.

23. There might be a certain amount of bias due to the different sample sizes for different industries (see Appendix 1).

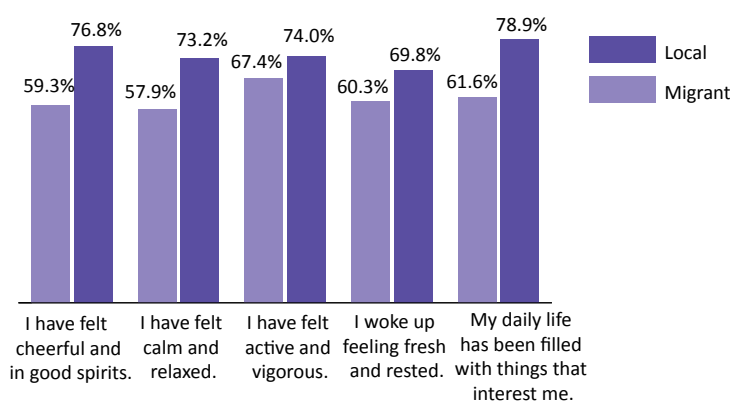
CHART 19: EDUCATION LEVEL BY INDUSTRY

3.3. PSYCHOLOGICAL WELLBEING

For this study, we used the World Health Organization Five Well-Being Index (WHO-5), which is a short self-reported measure of current mental wellbeing. The WHO-5 scale ranges from “All of the time” (5) to “At no time” (0). We converted the scores into 100-point scores to better visualize it²⁴. On average, young workers scored 69 out of 100 on the psychological wellbeing index. We found no significant difference between the scores of male and female workers. However, we found a significant connection between the age of young workers and their level of happiness: the older the workers are, the less happy they tend to be.

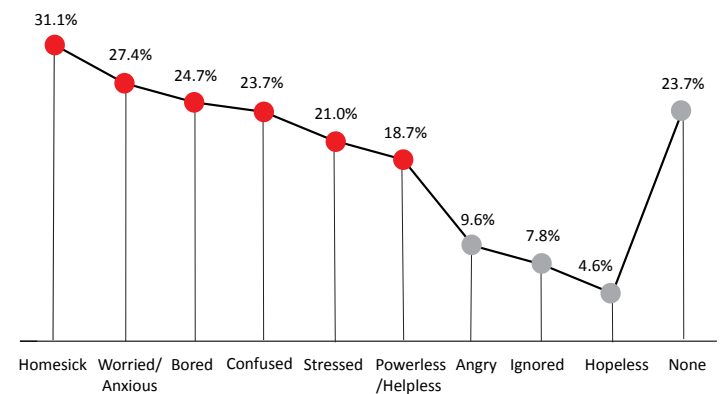
In general, migrant workers are significantly less happy than their local counterparts.

When controlling for all other demographic differences, the only factor still significantly associated with psychological wellbeing is the migrant status of young workers: the migrants scored significantly lower than their local counterparts (Chart 20), mirroring the results from the migrant parent study²⁵ where the migrant parents were also less happy than local parents.

CHART 20: PSYCHOLOGICAL WELLBEING INDEX SCORING OF MIGRANT AND LOCAL YOUNG WORKERS

Negative Emotions Among Young Workers

Looking further into the negative emotions that the young workers feel the most, we found that 76% of the surveyed young workers²⁶ feel at least one of the given negative emotions most of the time. The top three negative emotions they experience the most are: homesickness, worry/anxiousness and boredom (Chart 21). An interesting observation is that, even when we control for all other demographic differences, the number of negative emotions young workers felt are significantly correlated with their age: the older workers tend to have more negative emotions. The same goes for migrant workers who are more likely to experience negative emotions than their local counterparts.

CHART 21: NEGATIVE EMOTIONS YOUNG WORKERS FEEL MOST OF THE TIME

“

“I struggled when I first started out at the factory. Everything was so new to me and I felt uneasy in the new environment.” A 17-year-old female worker from a factory in Shandong Province. She comes from a rural town in the same province.

”

24. We had a total of 218 observations from three factories.

25. *From Factory with Love: A Study on Migrant Parent Workers in China*, 2017, CCR CSR.

26. 219 observations.

3.4. KEY CHARACTERISTICS OF JUVENILE WORKERS

The data from our project factories show that 57% of the juvenile workers are female and 43% are male - indicating a higher ratio of female workers among juvenile workers than that of young workers in general (Chart 14), however, this difference is not statistically significant, and is likely caused by the small sample size of juvenile workers.

While our focus group with juvenile workers only consisted of 13 juvenile workers we can observe interesting trends which we would like to consider here.

Our data shows that only 45% of the young workers continued schooling beyond the 9-year compulsory education. This would mean that the other 55% of the young workers in our sample were out of school by the time they were 16 and were most likely in the labour market – creating a sharp contrast with the small percentage of juvenile workers employed in the studied 1st tier factories.

From the interviews and focus group discussions, we found that almost all juvenile workers stopped going to school after finishing middle/junior high school, except in one case where a boy dropped out in the second year of junior high. They all said they were not performing well at school, and most did not even take the high school entrance exam. None of them had any interest in continuing to higher education at any point²⁷.

Most of the juvenile workers expressed no ambition or dreams for the future and many emphasized their need for a “simple”, “easy” and “stable” job without much “stress or hardship”.

“What is important for me is an easy job, unlike the harsh conditions at the brick factory I worked before. I will bring my parents here some day and they will help me plan for my future.” A 17-year-old male migrant worker from Gansu Province working in a factory in Shandong Province.

The majority did not think of their current jobs in terms of a career and didn't consider the possibility of promotion.

“I have no thoughts on career development, I don't want to be promoted now, just want to learn some new skills.” A 17-year-old male migrant worker from Gansu Province working in a factory in Shandong Province.

This does not mean that they are without the desire to learn and enhance themselves. While they do not currently consider returning to high school or college, they did voice interest to learn practical skills and receive vocational training in such areas as mechanics, IT, cooking and kindergarten/pre-school education at a certain point in the near future.

“I was never a good student, and I definitely don't want to go back (to school)... Compared to school, my job is so easy.” 16-year-old female worker from a factory in Shandong Province. She comes from a rural town in the same province.



27. Please refer to Appendix 2 for the stories of juvenile workers we interviewed for the study.

4. THE SITUATION AND NEEDS OF YOUNG AND JUVENILE WORKERS

The teenage years and early adulthood are a unique and often challenging time in young people's lives as they transition into adulthood. For young workers, this period may present new challenges and needs in life and at the workplace. Through worker surveys, interviews and focus group discussions with young workers, the following chapter seeks to shed light on young workers' concerns, what they struggle with the most, how the challenges they experience impact their mental/psychological health and whether they are vulnerable to sexual harassment. We'll also look at their work set-up – from wages to working hours to health and safety – and see how they perceive their workplace.

4.1. MAIN CONCERNS AND WORRIES OF YOUNG WORKERS

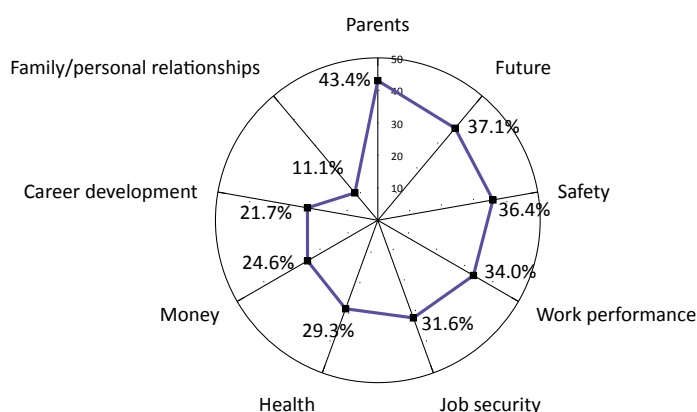
33% of young migrant workers say being away from their family is their biggest challenge in life.

Looking at the common concerns and worries of young workers from different surveys, we found that their concerns stem from their personal lives and from work. As seen in Chart 22, young workers worry the most about their parents (43%), on the one hand echoing the expectation in Chinese culture to look after one's parents once a child reaches adulthood, but on the other hand maybe also reflecting their worry in disappointing their parents.

A large portion (37%) of young workers also worry about their future²⁸ (Chart 22), which is in line with the results from our study on young workers in the electronics sector²⁹, where it was revealed that a considerable number of workers are anxious about how they would respond to and face the challenges their lives might bring.

Regardless of their young age, workers put great importance on their health and safety (Chart 22).

CHART 22: TOP CONCERNS AND WORRIES OF YOUNG WORKERS



Many of the top concerns of the young workers are related to their work: 34% worry about their work performance, 32% about job security (regardless of high demand for workers due to labour shortage and high turnover) and 22% about career development (Chart 22). This contradicts the often-voiced perception towards young workers by factory management, which depicts them as caring little about work and only about money. As a matter of fact, money only occupies the 7th place on young workers' list of worries, and only 13% say they are the main provider/breadwinner of their families. Furthermore, only 6% say they have ever struggled to make ends meet³⁰.

“For me, the most important things in a job are light tasks and being able to stay close to the family. The salary is not so important to me.” A 17-year-old male migrant worker from Gansu Province working in a factory in Shandong Province.

28. 223 observations.

29. *Staying on: A Study on Young Workers in the Electronic Industry*, 2014, CCR CSR.

30. 223 observations.

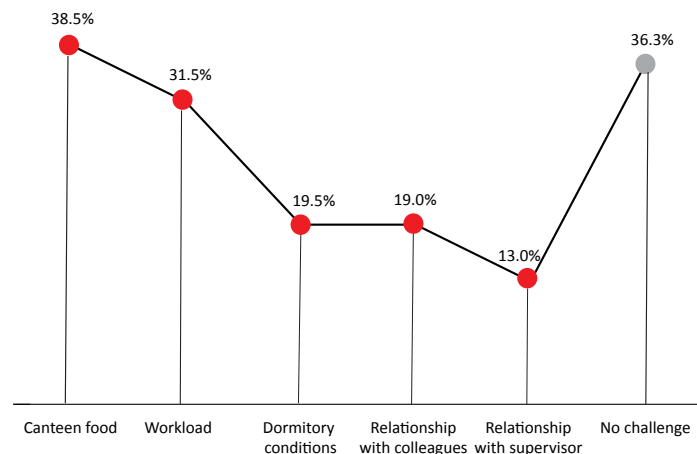
4.2 CONDITIONS/SITUATION AT WORK

Struggles/Challenges at Work

Nearly one third of young workers feel that the high workload is one of the top challenges at work

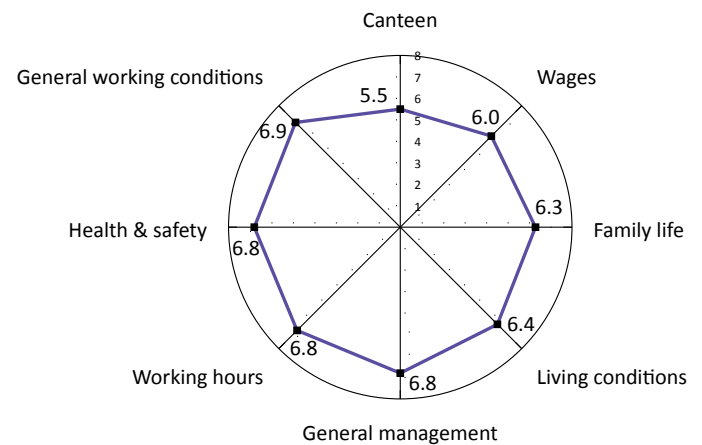
64% of the young workers say they struggle with certain aspects related to their work. What they struggle the most with are the quality of food in the factory canteen, the heavy workload, and the dormitory conditions. Significantly more workers have difficulties getting along with their colleagues than with their supervisors (Chart 23).

CHART 23: TOP CHALLENGES YOUNG WORKERS FACE AT WORK



When we look at workers' satisfaction levels with aspects directly or indirectly related to their work, on a scale from 1 to 10 (10 being the highest satisfaction level), the workers gave an average score of 6.5. They are least satisfied with canteen services in their factories, mirroring the biggest challenge they face at work (Chart 23). Wages ranked second in terms of least preferred items, followed by family life – the amount of time workers can spend with their children and/or parents. The older the workers are, the less satisfied they are with the time they have for their family³¹. When we held the age constant, we also saw a significant correlation between migration and satisfaction with family life. Migrant workers are significantly less satisfied with their family life – the time they have for their families – than the locals³².

CHART 24: SATISFACTION LEVEL WITH ASPECTS RELATED TO WORK (1-10 SCALE)³³



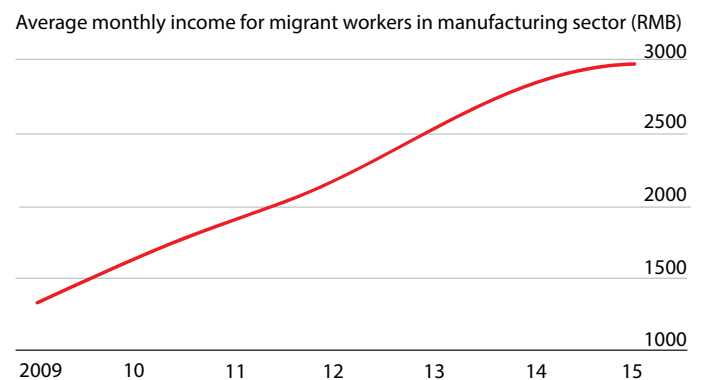
In the following paragraphs, we will introduce the general conditions of work such as wages, working hours and health & safety conditions to examine where the possible gaps are.

Wages

A commonly understood trend in the Chinese manufacturing sector has been the soaring wages in recent years. Chart 25 below illustrates this trend³⁴. Our study results in Chart 27 and 28 were close to the estimate by the National Bureau of Statistics, with an average monthly take-home salary of 3,089 RMB for the surveyed young workers³⁵.

Young workers earn significantly more than the local minimum wage.

CHART 25: AVERAGE MONTHLY INCOME FOR MIGRANT WORKERS IN THE MANUFACTURING SECTOR



Source: National Bureau of Statistics via CEIC

31. The correlation is $r = -0.3706$, $\text{sig} = 0.0000$.

32. The correlation is $r = -0.2347$, $\text{sig} = 0.0004$.

33. 223 observations.

34. Ben Bland, "Millennial workers force factory rethink in China", 2016, Financial Times.

35. Data from end of 2017 to August 2018. 307 valid observations after excluding the outliers below 1,500 RMB and above 4,500 RMB.

Depending on the geographical location of the factory, we see significantly different salary levels between the factories.

The distribution of monthly salary in Chart 27 indicates that a salary of close to 3,000 RMB is the most frequent in the sample³⁶. While we did not find any significant gender pay gap, or any association with education levels, we saw that salaries differ significantly between locations. For example, frontline production workers from a factory in Shandong Province make an average of 2,529 RMB per month, whereas those in a factory in Guangdong make 3,305 RMB, a 31% difference in average monthly income³⁷. However, no matter the location, the average salaries of frontline production workers in all locations are significantly higher than the local minimum wages.

CHART 26: AVERAGE SALARIES OF FRONTLINE PRODUCTION WORKERS VS. MINIMUM LOCAL WAGES

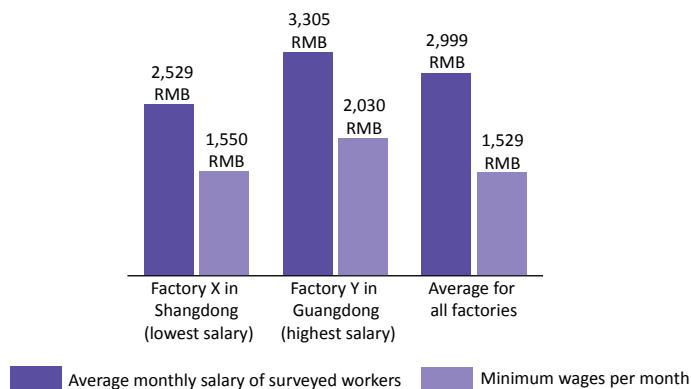


CHART 27: AVERAGE MONTHLY TAKE-HOME SALARY OF YOUNG WORKERS

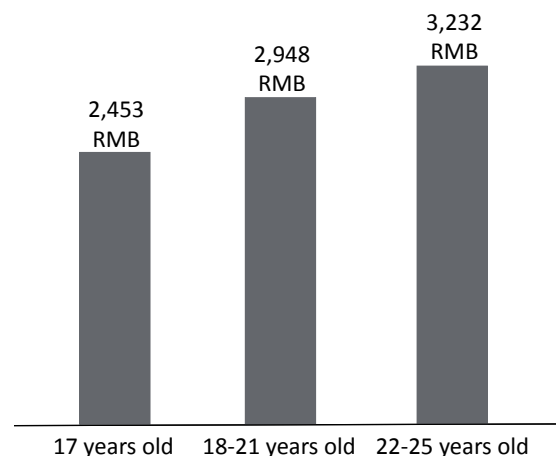


Salary levels increased with age when holding other variables constant.

The workers' salary level are naturally positively correlated with the level of their position. When only looking at the front-line production workers³⁸, we found that their age is positively correlated with their salaries: the older the workers are, the more they tend to earn³⁹ (Chart 28). This significant correlation persisted even when we held all other variables constant, such as working hours, migrant status, and length of service.

We didn't however find any significant correlation between salary levels and workers' levels of happiness when we held the age constant. That is to say higher salaries did not associate with better mental health.

CHART 28: AVERAGE MONTHLY SALARIES OF FRONTLINE PRODUCTION WORKERS BY AGE GROUPS



36. The monthly wage in Dongguan City of Guangdong, the industrial hub of China, increased to 1,720 RMB on July 1, 2018 <http://www.china-briefing.com/news/2018/06/27/guangdongs-minimum-wages-rise-july-1.html>.

37. Interestingly the 31% difference between Shandong and Guangdong is also the exact difference between these locations in terms of legal minimum wage (Chart 26).

38. 80% of the surveyed workers are front-line production workers.

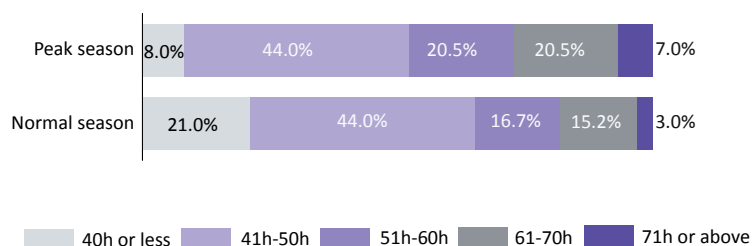
39. Spearman: the correlation is $r = 0.1770$, $\text{sig} = 0.0695$. This significant association holds even when we exclude the data of outlier factory in Shandong Province.

Working Hours

During the peak production season, 47% of young workers work over 50 hours per week.

Chart 29 displays the weekly working hours of young workers during normal and peak production seasons⁴⁰. It shows that during the normal period, 35% of the young workers work more than 50 hours per week; and during the peak season, 47% work over 50 hours per week.

CHART 29: WEEKLY WORKING HOURS OF YOUNG WORKERS DURING NORMAL AND PEAK SEASONS



Longer working hours and more days correspond to higher salaries.

While two thirds of the young workers (67%) work six days or less with at least one rest day during the peak season, the other one third works without rest for seven consecutive days or more. Even though young workers identified the workload as a major challenge, only a small number – 17% – actually want the working hours to decrease. Given that salary levels are directly linked to hours worked, this is not surprising. The study found a significant positive correlation with weekly working hours and salaries, indicating that (when holding age constant), working longer hours⁴¹ leads to higher salaries.

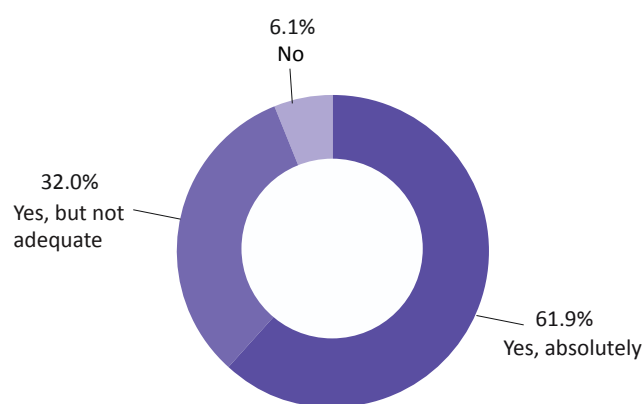
Health and Safety

On the other hand, we can observe that health and safety (H&S) is one of the top concerns for young workers (Chart 22), and it is also a top priority for factories.

32% of young workers do not think factories take sufficient measures to protect their health.

First, looking at the perception of safety at the workplace, young workers gave a score of 6.8 out of 10 for H&S in their factories, higher than most other aspects related to their work. The majority of workers (62%) absolutely believe their factory takes sufficient measures to protect their health⁴², but a significant portion (32%) find these measures to be inadequate (Chart 30).

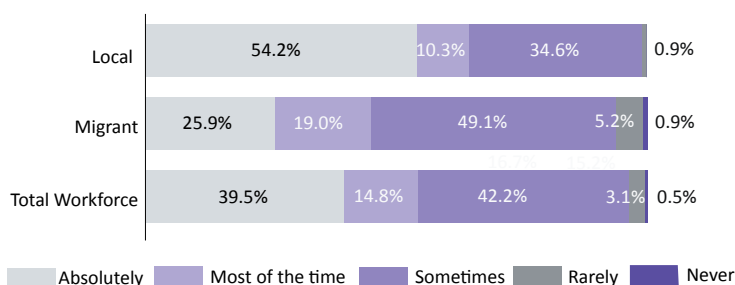
CHART 30: DOES THE FACTORY TAKE SUFFICIENT MEASURES TO PROTECT YOUR HEALTH?



Taking a closer look at young workers' sense of safety at work, close to half (46%) of young workers only feel safe sometimes or less⁴³. Migrant workers feel significantly less safe than their local colleagues⁴⁴ (Chart 31). Confirming this observation, our study found that young migrant workers are also more likely to perceive the factory H&S measures to be inadequate⁴⁵.

46% of young workers only feel safe sometimes or less.

CHART 31: DO YOU FEEL SAFE AT WORKPLACE? MIGRANT VS. LOCAL



40. 132 observations.

41. The correlation is $r = 0.3168$, $\text{sig} = 0.0009$.

42. 231 observations.

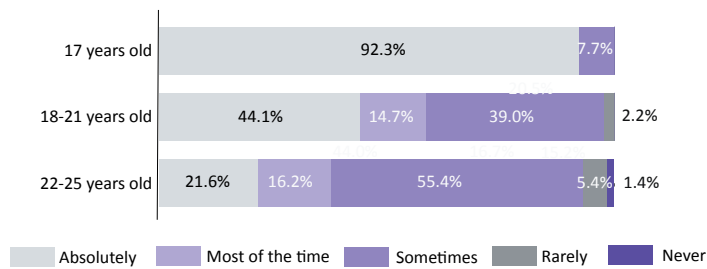
43. 223 observations.

44. The correlation is $r = 0.2735$, $\text{sig} = 0.0000$.

45. The correlation is $r = 0.2364$, $\text{sig} = 0.0003$.

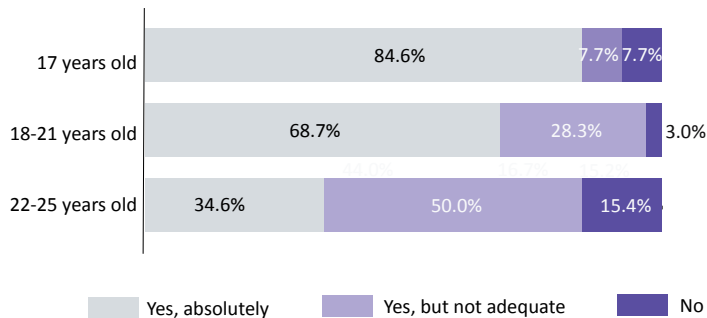
The workers' age is related to their sense of safety. Younger age groups tend to feel safer⁴⁶ (Chart 32), while older workers seem to have a greater awareness of the safety measures factories should take. Confirming this observation, the results show that the older workers are more likely to doubt factory measures protect their health⁴⁷ (Chart 33).

CHART 32: DO YOU FEEL SAFE AT THE WORKPLACE? BY AGE GROUPS



Younger age groups tend to feel safer, while older workers seem to have a greater awareness of the safety measures factories should take.

CHART 33: DOES THE FACTORY TAKE SUFFICIENT MEASURES TO PROTECT YOUR HEALTH? BY AGE GROUPS



Workers' sense of safety at the workplace is significantly associated with their psychological wellbeing: the safer the workers feel, the higher they scored on the psychological wellbeing index⁴⁸. Furthermore, the more they believe that the factory is taking sufficient measures to protect their health, the happier they tend to be⁴⁹.

46. The correlation is $r = 0.2938$, $\text{sig} = 0.0000$.

47. The correlation is $r = 0.1981$, $\text{sig} = 0.0025$.

48. The correlation is $r = -0.4096$, $\text{sig} = 0.0000$.

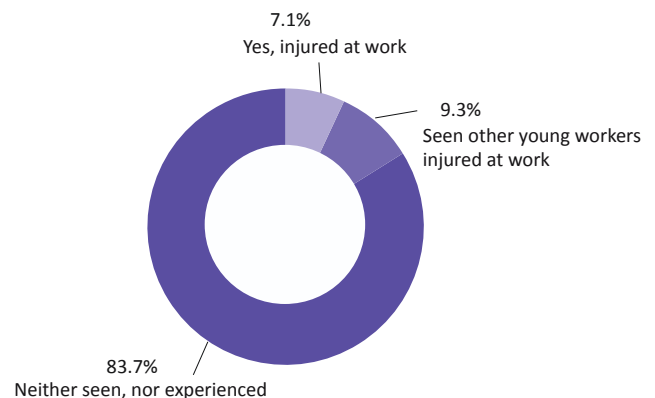
49. The correlation is $r = -0.2879$, $\text{sig} = 0.0009$.

50. 231 observations.

51. The correlation is $r = 0.3281$, $\text{sig} = 0.0001$.

When looking at the actual experiences of young workers related to H&S at work, we found that a large majority (84%) did not experience or witness any other young worker getting injured at work (Chart 34). Most of the injuries reported by young workers were small injuries such as skin cuts. However, in a few cases, serious injuries such as being electrocuted or having fingers squashed by a machine were also reported.

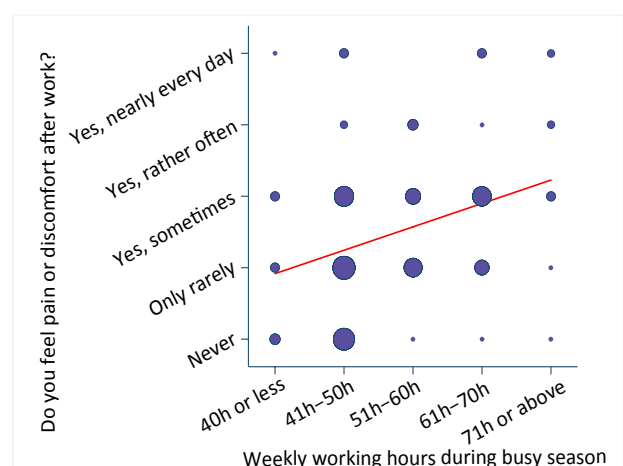
CHART 34: DID YOU EXPERIENCE ANY WORK-RELATED INJURIES/ACCIDENTS IN THE CURRENT FACTORY?



The more hours or days workers worked, the more likely they felt pain and discomfort after work.

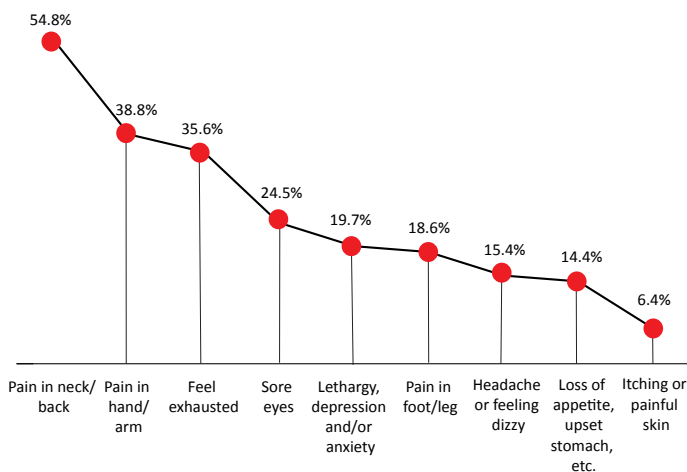
As for more general health conditions of the workers, close to half (48%) of young workers sometimes feel pain or discomfort in their bodies after a day's work⁵⁰. The health condition is significantly linked to the number of working hours. The more hours or days workers worked, the more likely they felt pain and discomfort after work⁵¹ (Chart 35).

CHART 35: FEELING OF PAIN AND DISCOMFORT AFTER WORK VS. WEEKLY WORKING HOURS DURING PEAK SEASON



The most common symptoms workers suffer from are pain in their neck, back and hands/arms as well as exhaustion (Chart 36), which could be directly linked to workload and working hours. Looking at the connection between the number of symptoms and working hours, we found a significant positive correlation: the longer workers worked during the peak season (but not during the normal period), the more symptoms they experienced. This result highlights the risk of excessive overtime on young workers' health.

CHART 36: WHAT KIND OF SYMPTOMS DO YOU HAVE?



In addition to workers' sense of safety, the frequency of feeling pain and discomfort after work and the number of symptoms they experience are both associated with their psychological wellbeing. When workers feel less pain and less symptoms related to work, they scored higher in the psychological wellbeing index⁵². In other words, the healthier the workers feel, the happier they are.

Sexual Harassment at Work

The study shows that 26% of young workers have either experienced or witnessed/heard other colleagues experience one or more forms of sexual harassment/inappropriate behavior at work, and 18% were the target of such behaviors at least once⁵³. While we don't know exactly how the respondents define sexual harassment, and general awareness on this issue might

still be relatively low, the result is telling, in particular because we found a significant connection between young workers' psychological wellbeing and whether or not they experienced sexual harassment at work⁵⁴. As shown in Chart 37, the workers who reported personally experiencing sexual harassment or inappropriate behavior at work scored significantly lower on the WHO-5 psychological wellbeing index⁵⁵. Further looking into the difference between female and male workers, we found that the association between experiencing sexual harassment/inappropriate behavior and psychological wellbeing is particularly significant among male workers⁵⁶ (Chart 37). This relationship is much weaker and (rather surprisingly) not statistically significant for female workers⁵⁷.

CHART 37: PSYCHOLOGICAL WELLBEING INDEX BY SEXUALLY HARASSED AT WORK

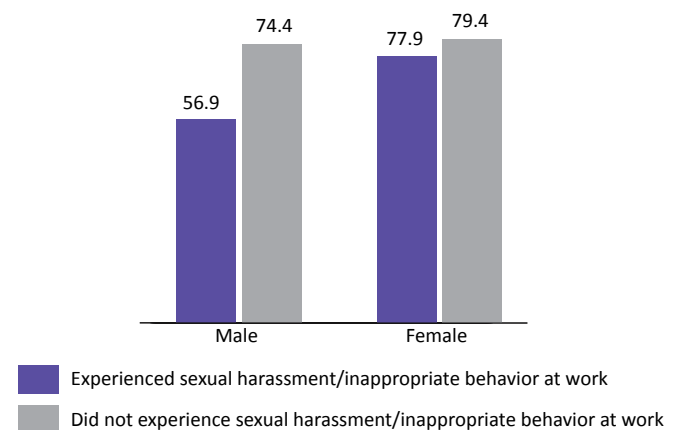


Chart 38 breaks down the different forms of sexual harassment at work that respondents experienced, witnessed or heard of. Among the young workers, we did not find any significant connection between their age and their likelihood of experiencing sexual harassment at work. However, a significantly higher ratio of male workers reported experiencing sexual harassment than female workers.⁵⁸ While this result might be related to the different perceptions of what constitutes sexual harassment, it certainly shows that the topic is affecting both sexes.

52. The correlation is $r = 0.2579$, $\text{sig} = 0.0032$.

53. 131 observations.

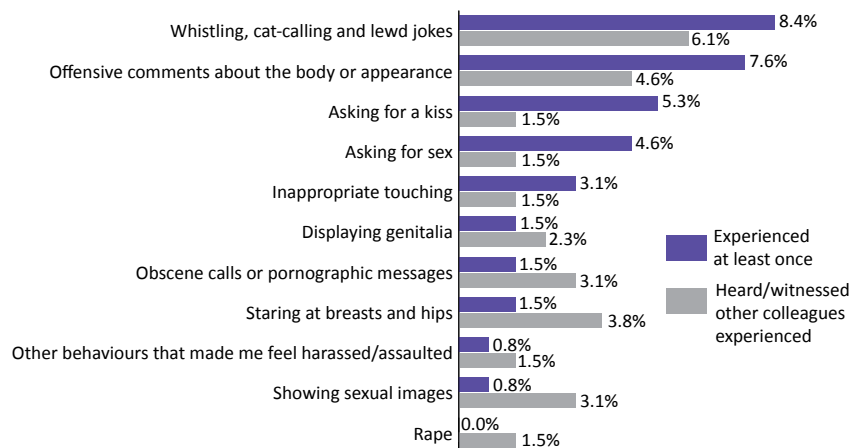
54. The correlation is $r = 0.2670$, $\text{sig} = 0.0023$.

55. We took the average scores of the five wellbeing indexes and converted the scores into 100-point scores to better visualize it.

56. The correlation is $r = -0.3224$, $\text{sig} = 0.0033$.

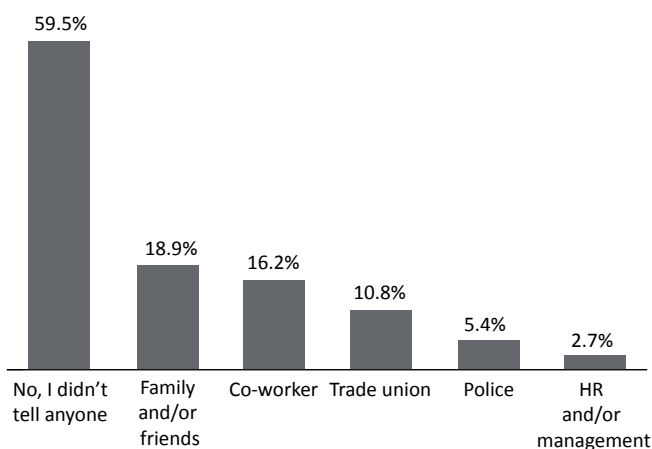
57. The correlation is $r = -0.0724$, $\text{sig} = 0.6284$.

58. Due to the small sample size (130 observations) for experience with sexual health, we expect a higher level of bias. Therefore, a larger sample and more research is needed to determine if there is any association with age and likelihood of being sexually harassed at work; and if young male workers are more at risk of sexual harassment.

CHART 38: THE FORMS OF SEXUAL HARASSMENT EXPERIENCED OR WITNESSED/HEARD BY YOUNG WORKERS AT WORK

60% of the workers who experienced, witnessed or heard of sexual harassment at the workplace did not tell or report the incident(s) to anyone.

The finding that 60% of the workers who experienced, witnessed or heard of sexual harassment at the workplace did not tell or report the incident(s) to anybody indicates that there is still a considerable stigma around this issue. Significantly more workers told their coworkers about the incident(s) than reporting it to HR/management or to authorities. Although the study revealed a minimum of 10 instances of potential criminal behavior such as rape, displaying genitalia, obscene calls/pornographic calls etc., only in two cases was the incident reported to the police (Chart 39).

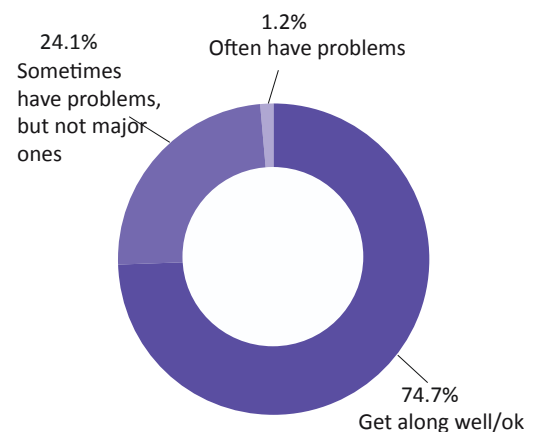
CHART 39: DID YOU REPORT OR TELL ANYONE (ABOUT THE INAPPROPRIATE BEHAVIOR AT WORK)?

Most of the incidents of sexual harassment or inappropriate behavior towards young workers were carried out by their colleagues. Almost one third of the cases were committed by someone in a higher position than the victim (Chart 40).

CHART 40: WHO COMMITTED THE SEXUAL HARASSMENT ACTS TOWARDS YOUNG WORKERS

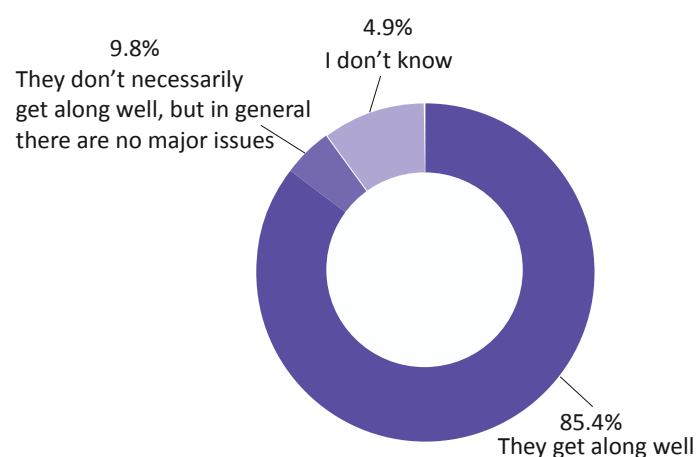
Relationship with the Supervisor/Management

As discussed in Chapter 2, 39% of the factory management we surveyed perceive young workers as difficult to manage, citing personality and characteristics of that age group as the reason (Chart 11). Indeed, 25% of the surveyed young workers say they face challenges in their relationship with their supervisors (Chart 41).

CHART 41: RELATIONSHIP WITH THE SUPERVISOR

Comparing this result to the data received through the supplier survey, we can observe that factory management might have an overly optimistic perception of the young worker-supervisor relationship: only 5% believe they might not get along too well.

CHART 42: HOW WOULD YOU DESCRIBE THE MAJORITY OF THE RELATIONSHIPS BETWEEN YOUNG WORKERS AND THEIR DIRECT SUPERVISORS (SUPPLIER SURVEY)



This study reaffirms the finding from *Staying on: A Study on Young Workers in the Electronic Industry in 2014* that “workers tend to get along better with supervisors who adapt a more positive communication style; conversely, worker-supervisor relationships tend to suffer among those who use a more negative communication style.”⁵⁹

Only about 1 in 10 young workers consider the messaging of their supervisors as consistent.

The majority of respondents associated a positive communication style with their supervisors. However, as seen in Chart 43, the positive feedback is still rather limited. For example, while 59% agree the communication is clear, only 45% think their supervisors are polite, only 30% found them convincing, and much fewer (11%) found their supervisors to be consistent in their communications (Chart 43).

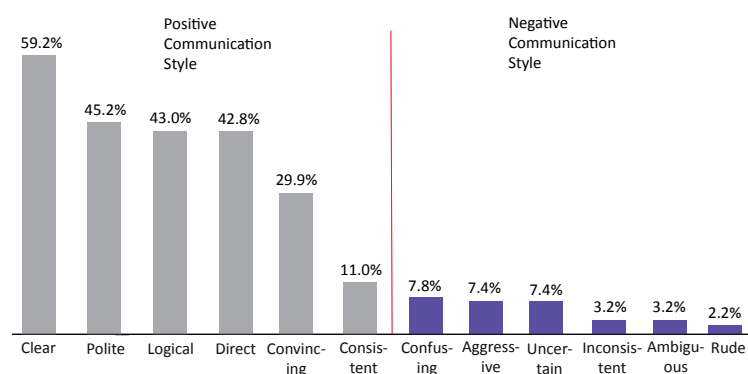
We may conclude that the young workers' perception of their supervisors is neither very negative nor very positive, reflecting an unassuming and often disengaged attitude towards their workplaces. Almost half (45%) of young workers chose only up to two communications traits of their supervisors, further supporting this interpretation.



“My relationship with the line manager is so-so, but I don't think it matters,” Xiao Jiang, a 17-year-old male worker at a factory in Shandong.



CHART 43: PERCEIVED COMMUNICATIONS STYLE OF THE SUPERVISORS



4.3. THE SITUATION AND NEEDS OF JUVENILE WORKERS

Main Concerns and Worries

Like young workers, juvenile workers worry the most about their parents and show great consideration for family when talking about what matters most to them in life. “Being with family is more important than earning a high salary,” said Xiaowang, a migrant juvenile worker we talked to and who says he will bring his parents with him at some point⁶⁰.

When talking to the juvenile workers for this study, we could see how, at the age of 17, many were still very optimistic about their lives, worrying comparatively little: “Playing on my mobile phone and getting along with my colleagues give me the greatest satisfaction in life,” Taotao, a juvenile worker, told us during an interview.

As for work, the juvenile workers complained mostly about long and inflexible working hours, poor quality of canteen food and drinking water.

Many have not made any plans and enjoy the freedom they found since leaving school and starting work: “I haven't put too much thought into my future plans yet or

59. *Staying on: A Study on Young Workers in the Electronic Industry*, 2014, CCR CSR.

60. Please refer to Appendix 2 for the stories of juvenile workers we interviewed for the study.

decided what I want to do. For now, I just intend to keep working for a few years and then get out of here,” said Xiao Yun, a migrant juvenile worker during an interview.

Wages

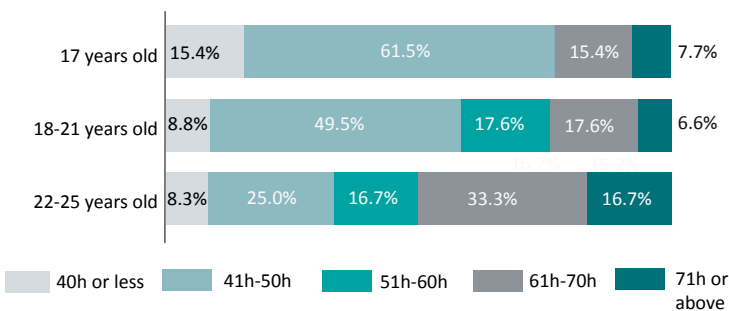
Juvenile workers have much more relaxed attitude towards wages than their older counterparts. They earned from 1,800 to close to 4,000 RMB per month, and all expressed satisfaction with their salary levels regardless of how much they earned. They are also clear about how their wages are calculated and what benefits they are entitled to. They do however complain about late payments, which seems to be a fairly common experience.

“What bothers me most about the job is that the working hours are not flexible at all and that sometimes the salary is paid late.” – A juvenile worker, aged 17

Working Hours

Working hours do not seem to differ significantly between juvenile workers and older workers during normal periods, but we do see that during the peak production season, older age groups work significantly longer than younger age groups⁶¹ (Chart 44).

CHART 44: WEEKLY WORKING HOURS OF FRONTLINE PRODUCTION WORKERS DURING THE PEAK SEASON BY AGE GROUPS



Heavy and dangerous work and long working hours for juvenile workers are the major non-compliance risks that can hinder their healthy development. They are also the main concerns of juvenile workers for employment. Only two out of 13 juvenile workers we talked to did not engage in overtime (because they were new to the job and the peak season had not started yet). The rest followed a rigid work schedule of 10.5-11 working hours per day during the peak season (in winter), well exceeding the normal 40 hours per week limit for juvenile workers. During the peak season, juvenile workers in the surveyed factory started work at 7 am in the morning and worked until 6:30-7:00 pm with only one hour lunch break.

The juvenile workers who left jobs before did so because of the heavy workload and night shifts. They gave up higher salaries and chose to work at a more “formal” and “regulated” factory with “better working conditions”. Yet, even in this “good factory”, they are routinely working overtime and are most dissatisfied with the long working hours.

Health & Safety

The juvenile workers we talked to were aware of the dangerous and unhealthy working conditions or tasks that they should avoid such as engaging in dangerous work or operating machines without training. Several of them said they left much higher paying jobs for a healthier and safer working environment. Despite this awareness, one of the juvenile workers interviewed was injured reportedly due to the neglect of a supervisor who temporarily assigned him to a task he was not suitable or prepared for. In two cases, juvenile workers were assigned tasks that they were not allowed to do.

None of the juvenile workers we talked to received medical examination arranged by the factory even though it is mandated by the law for workers under the age of 18.⁶²

“I was injured once when I was asked to temporarily step in for someone else. I was placed at a pressing station and squashed a finger because I wasn’t familiar with the machine.” – A juvenile worker, aged 17

61. The correlation is $r = 0.1770$, $\text{sig} = 0.0574$.

62. In accordance with PRC Regulations for the Special Protection of Juvenile Employees (Document No. 498) Article 10, employers should provide occupational safety and health education and training as well as a health examination to juvenile employees before they work. All related fees should be paid by the employer.

In addition to the regular health and safety risks at work, the young age of juvenile workers makes them the most vulnerable group for sexual harassment at work⁶⁴. The juvenile workers we talked to have very limited knowledge and awareness on sexual harassment: either on what consists of sexual harassment, the risks, prevention or reporting etc. None of the juvenile workers received any training, orientation and/or awareness raising materials on this topic from the factory.

The general disengagement between young workers and their supervisors is very pronounced among juvenile workers. They have little to say about their supervisors and generally regarded their relationship as having no significance to their work. There was not much interaction after the first week or so when supervisors showed them the basics of their tasks and explained simple rules such as “not to be late for work”. When they started their work, some struggled with their tasks, some felt confused and uneasy in a new environment, and they overcame those challenges with the support of their coworkers instead of their direct supervisors.

“I struggled when I first started out at the factory. Everything was so new to me and I felt uneasy in the new environment. But I got a lot of help from my co-workers, which was very important to me.” A juvenile worker employed at a local shoe factory in Shandong.

“My line manager’s attitude isn’t so great. She doesn’t really understand young people. My relationship with her is only so-so, but I don’t think it matters.” A 17-year-old male worker employed at a local shoe factory in Shandong.

“.....

“I haven’t participated in any training workshops, but I wish I had the opportunity.” A 16-year-old female worker who is employed at a local shoe factory in Shandong.

"I have no idea what is meant by sexual harassment. All I've heard of is spam calls and telecommunication fraud." A 17-year-old male worker employed at a local shoe factory in Shandong.

64. Due to the small sample size of juvenile workers, we could not conclude the prevalence of sexual harassment the juvenile workers are exposed to.

5. KEY CHALLENGES

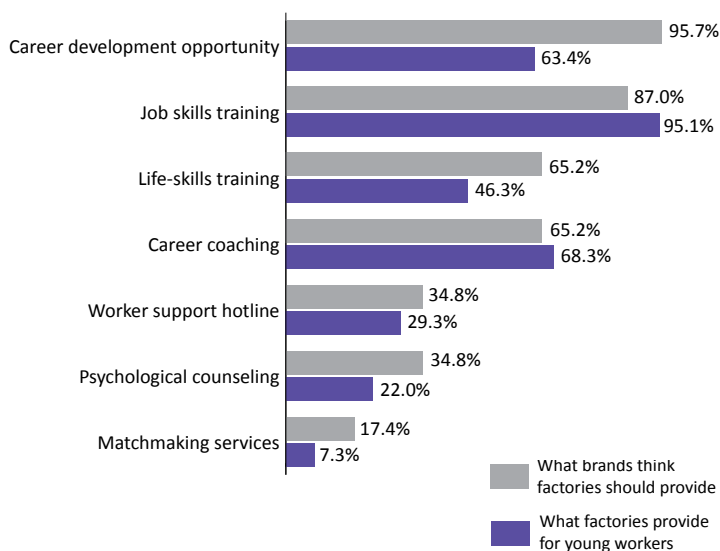
5.1 MAJOR GAPS IN SUPPORTING YOUNG WORKERS

As outlined in the previous chapter, there is a widely-held attitude among factory management that young workers are difficult to manage. This, they say, is due to their personalities and characteristics of their age group. At the same time, only a fraction of suppliers (5%) believe that challenges may exist in the relationship between young workers and their direct supervisors, which is a much lower percentage than that given by the young workers themselves – a quarter of the surveyed young workers said they encountered problems with their supervisors on occasion.

Supporting young workers with career development opportunities is an area overlooked by many factories.

Looking at the training and support given by factories we can see there is a gap between what brands think factories should provide and what they actually do (Chart 45). For example, only 63% of the suppliers provide career development opportunities, but 96% of brands believe that such opportunities should be provided.

CHART 45: BENEFITS FOR YOUNG WORKERS: BRANDS/BUYERS VS. SUPPLIERS



Digging deeper, the gap widens when we compare the quality of onboarding training young workers receive. While many factories indicate a comprehensive training offer, young workers' perspectives differ significantly, as can be seen in Chart 46. With the exception of "factory regulations", a wide gap exists between the training content factories say they provide and what young workers say they receive. The biggest gaps exist in "grievance mechanism", "expected professional behavior for workers and supervisors", "hiring and recruitment" and "how to identify risks and hazards at your workplace".

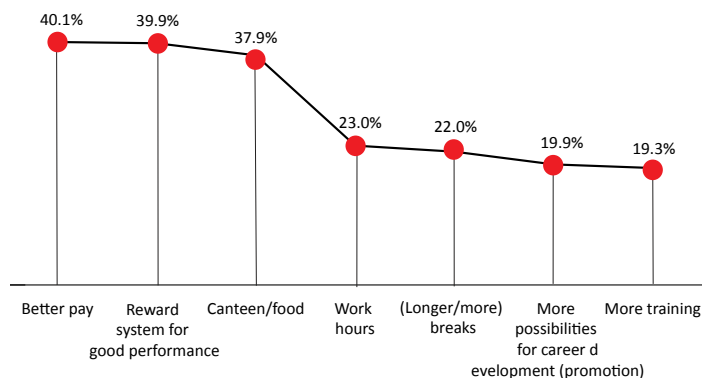
CHART 46: MAIN CONTENTS OF THE INDUCTION/ ORIENTATION TRAINING



"I haven't participated in any training workshops, but I wish I had the opportunity." A 16-year-old female worker who is employed at a local shoe factory in Shandong.

This gap in training is also reflected in young workers' feedback regarding the changes they would like the most. Next to better salaries and better canteens, one fifth of the young workers say they would like more career development opportunities (Chart 47).

CHART 47: WHAT YOUNG WORKERS WOULD LIKE TO CHANGE THE MOST



Furthermore, the data also shows that young workers are not happy with the current working hours arrangement and hope for longer and more frequent breaks. This data again shows the ambivalence of young workers towards their working hours: on the one side taking on more hours is the only way to improve their salary (as other opportunities to move ahead in skills or positions seem lacking), but on the other, they perceive long working hours as a very negative aspect of their work.

“What bothers me most about the job is that the working hours are not flexible at all and that sometimes the salary is paid late.” A juvenile worker who works for in a local shoe factory in Shandong.

5.2 MAJOR GAPS IN SUPPORTING JUVENILE WORKERS

The key challenges juvenile workers face are very similar to those of young adult workers. However, the impact of those challenges might have different gravity due to their young age. For example, earlier we talked about communication being the major gap in young worker management. For juvenile workers and young adult workers alike, there is little engagement with their supervisors. The impact of this gap is presumably bigger on juvenile workers as they need more support adjusting to new work environments, especially because for many

of them it's the first time they are working at a factory. When we talked to the juvenile workers, they confirmed that they mostly turned to their other colleagues for help when they struggled with their adjustment to work life. They even relied on their co-workers to get familiar with skills required for their job. While peer support is important to maintain a healthy working environment, juvenile workers, especially new workers, would need more professional and managerial support from their supervisors to smoothly transition into the new chapter of their life and career.

None of the juvenile workers we talked to received formal orientation training.

The juvenile workers we spoke to did not receive any formal orientation training by the HR but their supervisors provided simple induction on the rules and regulations, wages and benefits, working time etc. None of the juvenile workers received any technical or skills training by the factory, but they did receive training on occupational health and safety, juvenile worker protection and environmental protection. In our focus group discussion with juvenile workers, they expressed an interest in receiving training in computer skills and teamwork. Their relatively high awareness about workplace health and safety and what tasks are restricted for workers of their age is a direct result of the training they participated in. The cases where some juvenile workers were assigned by their line supervisors to tasks not suitable for their age and even got injured as a result, indicates the mismatch between the higher level factory management and line supervisors in their awareness to protect juvenile workers.

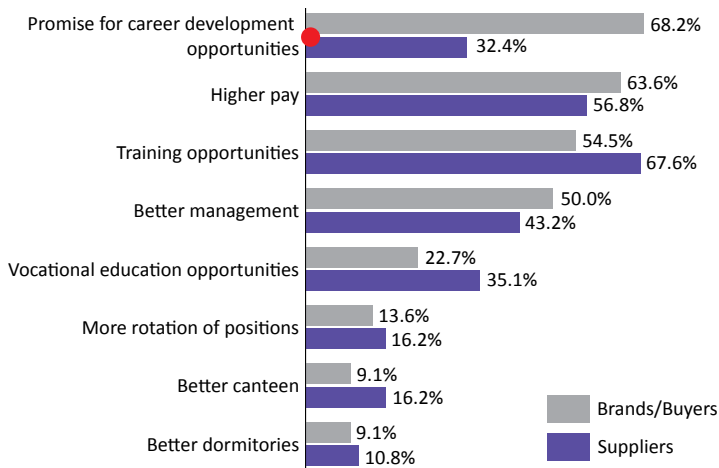
Long working hours is the biggest challenge juvenile workers face. Juvenile workers had to routinely engage in overtime during the peak production season which poses great risk to their healthy development. The fact that overtime was part of the regular work schedule rather than an option aggregates the issue to become a potentially serious non-compliance problem.

6. WHAT MAKES YOUNG AND JUVENILE WORKERS STAY

6.1. WHAT YOUNG WORKERS SEEK IN EMPLOYMENT

We began by showing the shrinking number of young workers in factories and young workers' perspectives on the challenges that make factory jobs unattractive to them. From brand/buyer and supplier surveys, we also know that they are clearly aware of those challenges. When asking them for their perspective on the best way to respond to these challenges, buyers and suppliers agree in large part. They emphasize higher pay, training and better young worker management. But while buyers think creating more career opportunities is the most promising remedy, this option only ranked fifth among suppliers (Chart 48).

CHART 48: HOW TO KEEP YOUNG WORKERS, BRANDS/BUYERS VS. SUPPLIERS

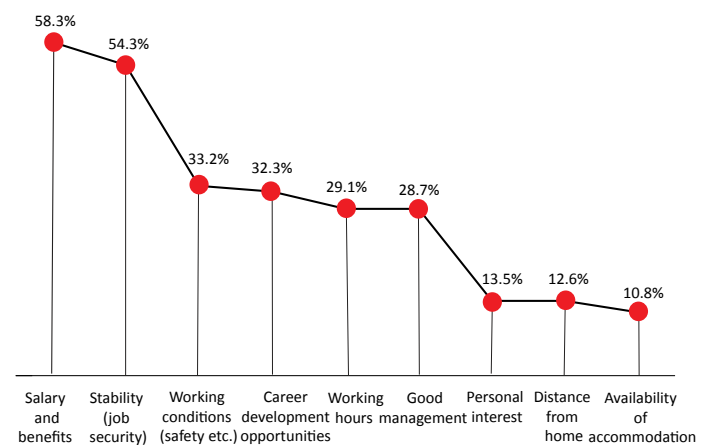


In this chapter, we will take a closer look at the worker survey data to understand which measures can actually make a difference in young workers' career choices and decision to stay in a factory. We will also examine any significant connections between workers' satisfaction with their workplace and their concerns/worries related to work, challenges and the level of support they receive; and how that connection might also affect their retention.

Job stability is a key factor when young workers choose a job.

First, let's look at young workers' top considerations when seeking employment. Apart from the most predictable factors – salary and benefits – job stability was the second most important factor young people consider when choosing a job. This result is unexpected as young workers are typically considered “unstable” and associated with high turnover rates. Other top factors following closely are working conditions (such as health and safety), career development, working hours and good management (Chart 49).

CHART 49: TOP FACTORS YOUNG WORKERS CONSIDER WHEN SEEKING EMPLOYMENT



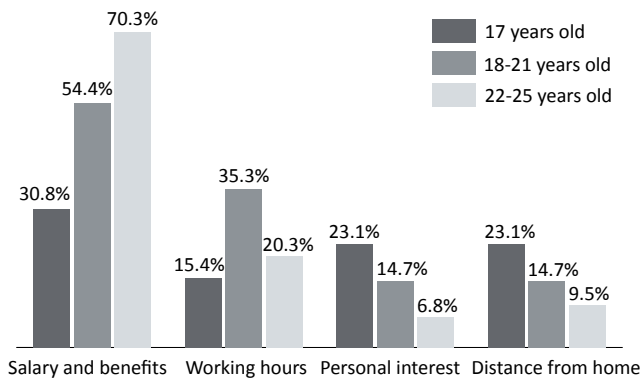
When we look at the differences in preferences when seeking employment, we found that certain factors are significantly correlated with age. While salary and benefits are more important for older workers⁶⁵, working hours⁶⁶, distance from home⁶⁷ and personal interest⁶⁸ are significantly more important for younger workers (Chart 50).

65. The correlation is $r = 0.1959$, $\text{sig} = 0.0033$.

66. The correlation is $r = -0.1132$, $\text{sig} = 0.0916$.

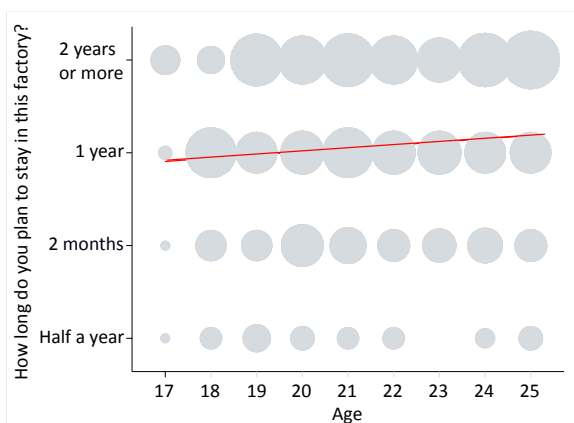
67. The correlation is $r = -0.1551$, $\text{sig} = 0.0205$.

68. The correlation is $r = -0.1300$, $\text{sig} = 0.0525$.

CHART 50: DIFFERENT CONSIDERATIONS WHEN SEEKING EMPLOYMENT BY AGE GROUPS

6.2. YOUNG WORKER DEMOGRAPHICS AND RETENTION

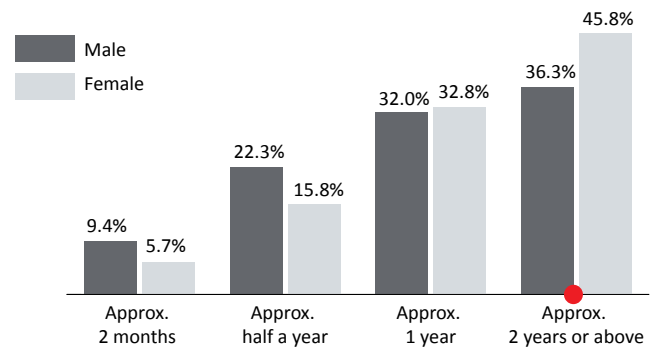
In Chapter 1, we found that the factories with higher percentages of young workers tend to have higher turnover rates (Chart 4). 27% of the surveyed young workers in our study plan to stay in the current factory for about six months or less. In all our previous surveys and studies, we found a trend whereby younger workers intended to stay in the current factory for less time than the older ones. This study once again verifies that conclusion. Even within the group of young workers, we found a significant correlation between age and retention: the younger they are, the shorter they intend to stay in their current jobs⁶⁹ (Chart 51).

CHART 51: HOW LONG DO YOU PLAN TO STAY IN THIS FACTORY? BY AGE GROUPS

The younger the workers are, the shorter they intend to stay in their current jobs.

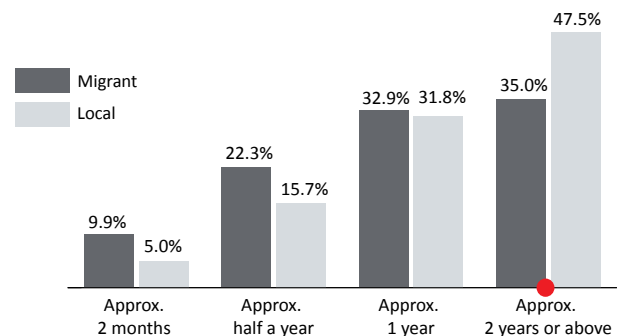
Factories we talk to generally see young male workers as more “troublesome”, harder to manage and likely to

change jobs often. Our findings confirm the assumption that male workers intend to stay for a significantly shorter time in their current jobs than the female workers⁷⁰ (Chart 52). Given the fact that the number of male young workers is on the rise, this might signal an even bigger retention challenge in the future.

CHART 52: HOW LONG DO YOU PLAN TO STAY IN THIS FACTORY? BY GENDER

Young migrant workers intend to stay in their current jobs for less time than their local counterparts.

Comparing young local and migrant workers, both male and female, we can observe that migrants are significantly less likely to stay in their current jobs than locals⁷¹.

CHART 53: HOW LONG DO YOU PLAN TO STAY IN THIS FACTORY? BY MIGRANT STATUS

Apart from the internal and personal factors that make young male workers and migrant workers inclined to switch jobs more frequently, could their experience and situation at the workplace either help or worsen their retention? In the following section, we will explore whether factors other than internal/personal reasons are associated with work satisfaction and retention. At the same time, we'll examine the data to see whether external factors may explain retention differences according to gender and migration status.

69. The correlation is $r = 0.0862$, $\text{sig} = 0.0485$.

70. The correlation is $r = -0.1184$, $\text{sig} = 0.0067$.

71. The correlation is $r = -0.1521$, $\text{sig} = 0.0000$.

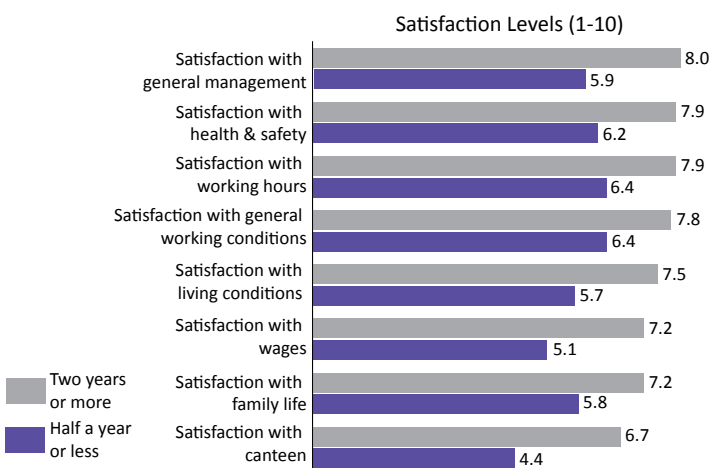
6.3. JOB SATISFACTION AND RETENTION

Young workers' general satisfaction with their workplace is strongly linked to how long they are staying.

Workers' average satisfaction level with their workplace in general is 6.6 on a scale from 1 to 10 (10 being the highest)⁷². In our previous study, we found that there was a significant positive correlation between workplace satisfaction and plans to stay in current jobs (retention indicator), but only among young workers and not those aged 25 or older⁷³. The current study corroborates this association for young workers⁷⁴.

When comparing workers' satisfaction level with various elements related to work, we found that every single one of them is significantly associated with the length of time workers decide to stay in the factory. Chart 54 compares the satisfaction levels (from 1 to 10) of workers who plan to stay in their current job for half year or less with those who plan to stay for two years or more. It is easy to see that when workers are more satisfied with general management, H&S, working hours and conditions, living conditions, wages, family life (time for family) and canteen, they are more likely to stay longer in their current jobs.

CHART 54: HOW LONG ARE YOU PLANNING TO STAY IN THIS FACTORY?



How then, are the actual work conditions and situation of young workers, the challenges they face and the level of support they receive linked with their job satisfaction and retention? What are the factors that might influence their level of job satisfaction or their decision to stay in a factory?⁷⁵ Are there any factors that influence their decision to stay that are not related to their level of satisfaction with the factory? In the following paragraphs, we will look at these connections one by one.

Wages & Working Hours

Higher salary levels do not correspond to longer retention.

We saw a significant positive correlation between the satisfaction with wages and retention in Chart 54. But when we look at the actual salary levels of the workers and their general satisfaction with the factory, we did not see a significant correlation⁷⁶. Confirming our observation that workers with higher salary levels are not necessarily happier, they are also not necessarily more pleased with their workplace in general.⁷⁷

Long working hours are negatively linked with workplace satisfaction.

While the weekly work hours of workers are significantly associated with their general satisfaction with the factory⁷⁸ (the longer the hours, the less satisfied), it does not seem to affect their decision to stay⁷⁹. This ambivalent result might be linked to the contradictory feelings amongst young workers about their working hours: while resenting the long hours, they also see them as the only means to advance and improve their salaries.

72. 525 observations.

73. *A Snapshot Study of China's Young Workers in 2015*, 2015, CCR CSR.

74. The correlation is $r = 0.2721$, $\text{sig} = 0.0000$.

75. Factors that are correlated with both job satisfaction and retention, but if we hold the job satisfaction constant, there's no significant correlation with retention.

76. When controlling for age, gender, migration status, position, length of service and working hours.

77. What might come as unexpected is that there is a negative correlation between salary levels of workers and retention (when holding all other factors constant): the higher

salaries they earn, the more likely they are to leave the factory sooner. Note that this unexpected result could be caused by the differences in factory locations. In the factory in Shandong with lowest salary levels, we find that workers generally plan to stay longer. When we treat this factory as an outlier and only look at the results in other factories, we find that there is in fact no significant correlation between the salary levels of workers, their general satisfaction with the factory and their plans to stay in the factory.

78. The correlation is $r = -0.3636$, $\text{sig} = 0.0000$.

79. The correlation is $r = -0.0473$, $\text{sig} = 0.5904$.

Health & Safety

Perception of safety at work as well as actual physical and mental health of workers are all linked with job satisfaction and retention.

Our study found that workers' perception of safety – how safe they feel at work and whether they perceive the factory to take sufficient measures to protect them – is significantly associated with both worker satisfaction and retention. The safer they feel, the more likely they are to be satisfied with their workplace⁸⁰ and stay longer at their current jobs⁸¹.

Apart from workers' perception of safety, the actual health conditions are also significantly linked to workers' job satisfaction and retention. The more likely they are to feel pain, discomfort or health-related problems at work, the less likely they are to be satisfied with their workplace⁸² and the less likely they are to stay in their current jobs for long⁸³. This connection extends beyond physical health as we observed the same correlations with workers' psychological wellbeing⁸⁴.

Relationship with Supervisor

Another important connection with worker satisfaction and retention is workers' relationship with their supervisors. The better workers get along with their supervisors, the more satisfied they are with the workplace⁸⁵ and the more likely they are to stay longer⁸⁶.

Challenges Workers Face at Work

Apart from the basic working conditions, the study also looked at the connection between the top challenges workers face (Chart 23) and their work satisfaction and retention.

The No. 1 challenge workers face at work – the quality of canteen food – is closely associated with both their satisfaction with the workplace and retention. When workers are not happy with the canteen food, they are less likely to be satisfied with the factory⁸⁷ and less likely to stay long⁸⁸.

The second challenge workers face – workload – reflects the connection between the actual working hours and workers' satisfaction and retention. We observed a similar pattern: when workers find the workload challenging, they are less likely to be satisfied with their workplace⁸⁹, but this dissatisfaction did not seem to have any effect on their decision to stay in the factory⁹⁰. Again, this observation highlights the risks young workers are exposed to with heavy workload and long working hours.

Dormitory conditions are not necessarily linked to workers' job satisfaction, but they might affect workers' decision to stay.

The third challenge workers face – dormitory condition – is not associated with workers' satisfaction⁹¹, but it is significantly linked to retention⁹². This could mean that when workers are not happy with the dormitory conditions, they are likely to look for another opportunity with better living conditions even if they like their current job.

Training and Support

Only 58% of the young workers think the factory provides opportunities for them to learn and grow. The more likely they feel supported by the factory in their professional development, the more likely they are to be satisfied with their workplace and to stay longer in their current jobs.

Whether workers participated in the orientation training can be one indicator for general management and conditions in a factory. 88% of the workers say they received orientation/induction training when they started their job. The orientation is associated with both workers' satisfaction level with their workplace⁹³ and their plans to stay in the factory⁹⁴: the workers who did not receive orientation (or do not remember receiving orientation, which raises suspicion about the effectiveness of the exercise) are less likely to stay longer in their current jobs.

80. The correlation is $r = 0.4849$, $\text{sig} = 0.0000$.

81. The correlation is $r = 0.2011$, $\text{sig} = 0.0026$.

82. Pain and discomfort after work: correlation is $r = -0.3687$, $\text{sig} = 0.0000$. The number of health symptoms workers experience: correlation is $r = -0.2032$, $\text{sig} = 0.0052$.

83. Pain and discomfort after work: correlation is $r = -0.3378$, $\text{sig} = 0.0000$. The number of health symptoms workers experience: correlation is $r = -0.1706$, $\text{sig} = 0.0192$.

84. Work satisfaction The correlation is $r = 0.4374$, $\text{sig} = 0.0000$. Retention The correlation is $r = 0.2269$, $\text{sig} = 0.0007$.

85. The correlation is $r = 0.2311$, $\text{sig} = 0.0000$.

86. The correlation is $r = 0.1044$, $\text{sig} = 0.0197$.

87. The correlation is $r = -0.2166$, $\text{sig} = 0.0126$.

88. The correlation is $r = -0.2210$, $\text{sig} = 0.0009$.

89. The correlation is $r = -0.1743$, $\text{sig} = 0.0021$.

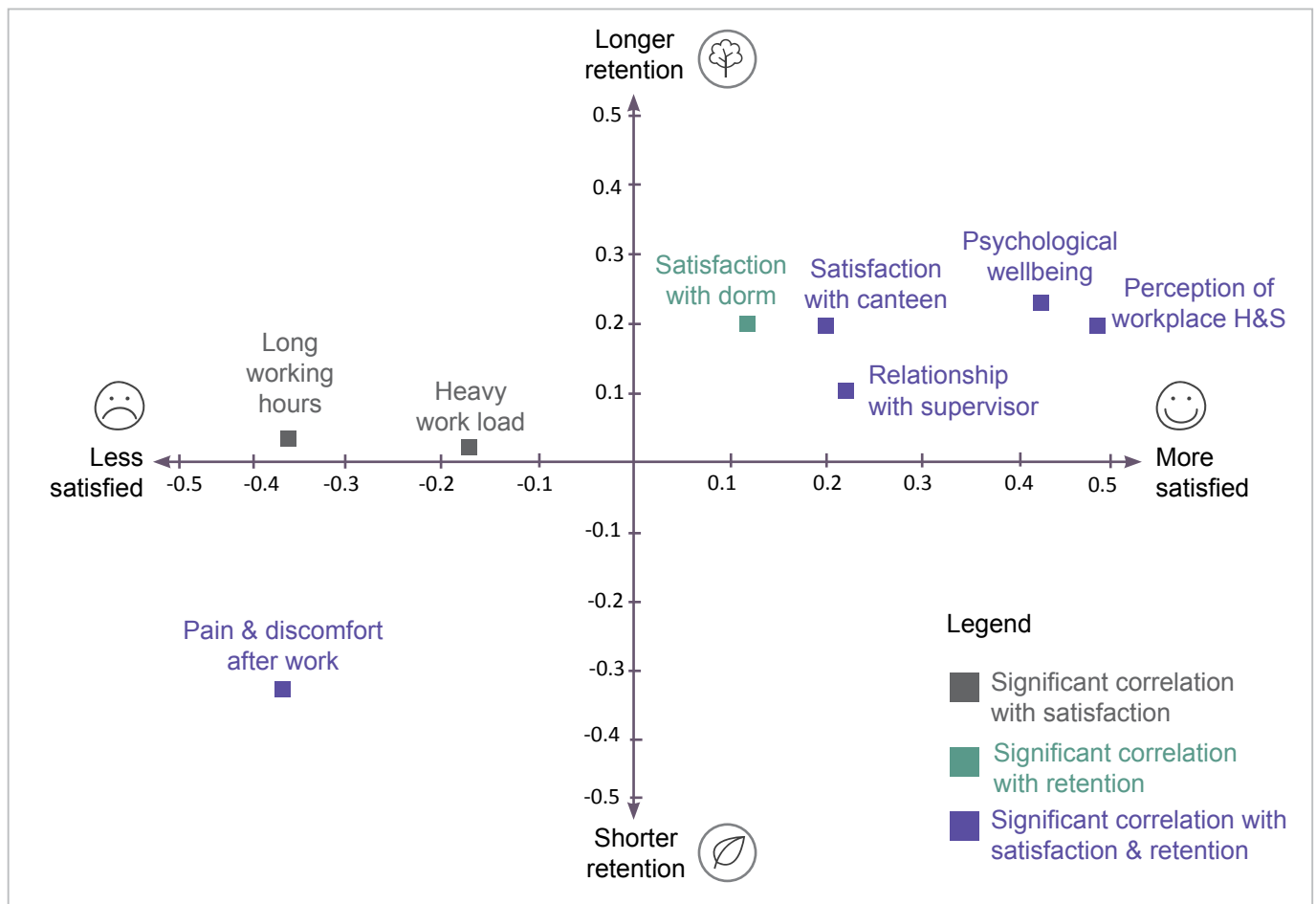
90. The correlation is $r = 0.0164$, $\text{sig} = 0.7436$.

91. The correlation is $r = -0.1333$, $\text{sig} = 0.1277$.

92. The correlation is $r = -0.2384$, $\text{sig} = 0.0003$.

93. The correlation is $r = 0.0972$, $\text{sig} = 0.0821$.

94. The correlation is $r = 0.1000$, $\text{sig} = 0.0736$.

CHART 55: FACTORS ASSOCIATED WITH JOB SATISFACTION AND/OR RETENTION⁹⁵

6.4. WHAT MAKES JUVENILE WORKERS STAY

Despite the common perception that juvenile workers don't stick around in one job for very long, the juvenile workers we spoke to, although small in number, intended to stay in their jobs for at least a year before thinking about moving onto something else. One worker mentioned that they'd like to have the opportunity to sign a long-term contract as job security was crucial to them. This is an opportunity that suppliers might have overlooked: while the young adult workers are prone to higher turnover, juvenile workers often start out with a very positive attitude towards their job and clearly have the potential to become a more stable and loyal workforce if factories manage them properly and invest in them early.



"I'd like to stay here for 6-7 years and have no intention of changing jobs any time soon. That said, I don't want to spend my entire life working in a factory" – A juvenile worker, aged 17



Many juvenile workers indicated that being close to family was an important consideration in choosing and staying in their job. This is a potential opportunity for factories as many of them are moving inland and facing labour shortage compounded by young workers' reluctance to seek employment elsewhere. The young local workers can be their target for recruiting and maintaining a stable workforce and improving productivity.

Another missed opportunity for juvenile workers is that factories failed to realize their potential to develop skills and improve productivity. Skilled work does not mean heavy and dangerous work that was restricted for juvenile workers. But 32% suppliers might have misunderstood and believed juvenile workers cannot engage in skilled work. None of the juvenile workers we talked to received any technical or skills training by the factory. They relied on their co-workers to get themselves familiar with the tasks they were assigned to. Even though most of them are not ambitious to get promoted in their jobs any time soon, they expressed their desire to learn more skills at work, as they are aware that the skilled work corresponds to higher salary levels.

95. Plus/minus signs indicate positive/negative correlations.

CONCLUSION

The study analysed the worker survey data of 525 young workers aged 25 or younger, conducted interviews and focus group discussions with 13 juvenile workers, and did an online survey with 46 suppliers and 27 brands/buyers. After looking at different perspectives on the issues

related to young workers and the connections between special characteristics and challenges, working conditions and support young workers receive with their general satisfaction with the workplace and retention, the study observed the following key findings:

JUVENILE WORKERS

1. The labour force in export manufacturing is aging. The percentage of young workers, especially juvenile workers, in 1st tier supplier factories is small while the overall age of the workforce is increasing.
2. The largest gap in the protection of young and juvenile workers is working hours. The data not only highlights the prevalence of excessive overtime but also a very strong linkage between the physical & mental health of young workers, their job satisfaction levels and working hours.
3. The common sentiment towards juvenile workers among brands/buyers and suppliers is overwhelmingly negative. Both buyers and suppliers see little to no benefit of including juvenile workers in the workforce.
4. As a result, juvenile workers are systematically excluded from hiring practices in tier 1 factories, mainly to reduce compliance risks related to child labour, thus limiting out-of-school-youth's opportunities to find decent work.
5. Those juvenile workers who do find jobs in factories receive very little support at the workplace. On-boarding training is limited and the discussions with 13 juvenile workers revealed that none of them had received formal induction or skill training.
6. The lack of support and promotion of youth development seems like a missed opportunity, especially since juvenile workers seem to enter the workforce with a more positive attitude, fewer worries and an intent to stay longer than young workers over 18.

YOUNG WORKERS

Suppliers are more aware of the potential benefits of hiring more young workers to improve labour productivity and offset labour shortage than the brands. However, there are major gaps in current working conditions and benefits at the factories to support young workers.

1. Young workers (18 -24) tend to worry a lot about their parents, their future and working performance, indicating that they feel under a significant amount of pressure.
2. The level of pressure to perform and advance seems to be underestimated by suppliers. Young workers only receive limited support at work to develop their skills and to be promoted to a higher position.
3. Young workers also worry significantly about the health and safety in their factories and many are not convinced the factory is doing enough to keep them safe.

WHAT MAKES JUVENILE AND YOUNG WORKERS STAY AT A FACTORY

Contrary to the popular belief that young workers “only care about salary”, using salary increase alone to increase young worker retention may prove to be ineffective, as the study did not establish a connection between higher salaries and long retention.

On the other hand, a good relationship with supervisors and satisfaction with canteen increase psychological well-being. This, together with a positive perception of one's factory increase overall job satisfaction and retention.

These results clearly show that the manufacturing sector may encounter significant challenges in the future if

it does not manage to integrate juvenile workers and make the sector more attractive to them. However, the correlation results also clearly show that supporting youth through targeted investments, such as youth development programmes, strong health & safety systems and general support, can create a significant difference in how young workers feel about their jobs and how long they intend to stay in their factory.

As such, we would like to make the following recommendations:

RECOMMENDATIONS FOR FACTORIES

1. Youth Development Programme

We strongly recommend that factories create youth development programmes for out-of-school juvenile workers under the age of 18. These programmes should not simply offer jobs to juvenile workers, but also allow them to become skilled by the time they turn 18. As such, these programmes would not only be a service to youth but would also allow the factory to create their next generation of skilled workers – workers who will likely be able to adapt to higher skill requirements due to the increased automatization of the production process.

Such programmes should consider all H&S requirements and protections, but at the same time create opportunities for youth to thrive within the better factories. As a rule of thumb, factories can follow some best practices in the field in terms of juvenile worker management:

- A. Strengthen age verification systems to avoid unintentional recruitment of child labour (ID verification online and/or through equipment)
- B. No nightshifts or overtime, meaning no more than 8 hours of work per day and 40 hours per week under any circumstances
- C. Avoid assigning juvenile workers to tasks that require the use of PPE
- D. Give juvenile workers enough training opportunities to take on skilled work that is not dangerous or hazardous in nature



2. Young Worker Communication & Support

Through this study we could see that many young workers are under a significant amount of stress, that they worry about their future and that they have few opportunities. Improving communication with and support for young workers can help them access all the training and information they need. This in itself could also significantly increase young workers' perception of safety.

Key elements to make this happen are:

- Improved onboarding training that can be easily understood by young workers:**
 Most factories do provide some form of onboarding training, but the study showed that such training courses are weak in content and effectiveness. Simple improvements like structuring the training along key messages and making the training more interactive, could make it considerably more effective.
- Using different communication channels like posters, WeChat messages, one-on-one training, morning meetings etc.:**
 By increasing the channels, the likelihood of reaching all layers of the workforce, including young workers, will be increased.

- Creating and communicating advancement opportunities for workers:**

Firstly, factories can easily create more visibility on advancement opportunities e.g. by showcasing workers who started at a young age and worked their way across or up the factory.

Secondly, we suggest that factories create clear skill levels, skill achievement plans and incentive structures that are made fully transparent for all workers. This will allow workers to see what can be achieved, and create stronger incentives to stay at the factory long-term.

Thirdly, continuously assess the needs of the workforce. We strongly suggest that these assessments go beyond only work-related needs, but try to understand their workforce more holistically. CCR CSR has observed that factories who consider the overall challenges of workers and try to support their workers with these challenges can create highly effective worker retention programmes.

In Appendix 2 we provided a list of check-points that can be used as a guidance to set up youth development support systems inside the factories.



RECOMMENDATIONS FOR BRANDS

- ***Reflect on your messaging regarding juvenile workers***

As this study shows, brands have ground to worry that hiring juvenile workers will increase the number of non-compliances in a factory. Indeed, most juvenile workers do not work within the conditions set out by the law, in particular in regards to working hours.

However we strongly recommend that this observation does not lead to passive or active messaging against hiring juvenile workers. Rather, we suggest to focus the message and guidance on hiring juvenile workers under the correct conditions in first tier factories.

In those factories, we strongly recommend that brands proactively support small-size (and thus manageable) youth employment systems that create opportunities for out-of-school youth.

- ***Support youth development programmes for workers above the minimum age***

We encourage brands to invest in factories that encourage skill development and provide career paths for young workers. This by extension, can help factories continue being an attractive workplace for young workers.

APPENDIX 1: STUDY SPECIFICS

1.1 DEFINITIONS

Young workers

For this study, we used CCR CSR's customary definition for the term "young workers": the workers who are aged 25 or younger. By definition, when we mention "young workers", it is inclusive of juvenile workers.

Juvenile workers

We used "juvenile workers" to describe the workers who reached 16 years of age (the minimum legal age for employment in China) but are under the age of 18.

Child Labour/Labourer

Since the minimum legal age for employment in China is 16, references to child labour or child labourer means any workers under the age of 16. Child labour also refers to the cases where juvenile workers engage in hazardous work that is prohibited for their age group.

Brands/Buyers

International companies whose products are associated with their specific labels including the retailers/supermarkets with their own label of products. They may have their own factories that produce products exclusively for them, but typically they have a complicated international supply chain that includes factories producing for different brands/buyers, for international as well as for domestic markets.

Suppliers

We used suppliers to refer to the 1st tier manufacturers/producers/factories of our brand/buyer partners. Sometimes we used manufactures, producers or factories interchangeably to refer to the suppliers.

1.2 STUDY DESIGN

The following paragraphs will describe the tools used to collect data for this study.

1.2.1 Project Factories' Workforce Data

Every year, CCR CSR partners with dozens of new factories for various projects. For all of our projects, we conduct standard worker surveys as part of ongoing project evaluation. Depending on our target groups, we either select a representative sample from the whole workforce or from sub-groups such as parents or young workers. For the estimates of basic young worker demographics

such as young/juvenile worker ratios, average age and gender distribution, we used the workforce data of project factories where we have access to the full worker lists. We have been keeping a database with full worker lists from 20 project factories since 2016 (including one that we partnered with for the current study), which have a total of 19,486 workers and 4,106 young workers aged 25 or younger.

1.2.2 Worker Surveys

Every year, CCR CSR conducts numerous standardized in-factory worker surveys as mentioned above. Additionally, we also conduct separate child rights and/or worker wellbeing assessments in factories upon request by brands/buyers. For the current study, we looked at the surveys and assessments conducted from early 2016 to mid-August 2018, and compiled a dataset on young workers from the ones with at least 20 young workers in the sample. In total, we collected data on 393 young workers who are 25 or younger from five project factories. The questions used in different surveys may vary but they all have our standard questions about workers' background, job satisfaction and retention that we can compare.

To include a larger sample of young workers in the study, we also developed a questionnaire specifically designed for young workers, and invited our current project partners as well as participants of the supplier survey to host worker surveys in their factories. As a result, two factories accepted our invitation and hosted one-day worker surveys with selected young workers. One of them is our project factory for Child Friendly Spaces (CFS) and the other is a supplier of our brand partner who is among the few factories we encountered that hire juvenile workers. We collected 132 valid responses from the two in-factory surveys.

Combining the young worker data from the surveys mentioned above, we collected responses from 525 young workers for the current study.

1.2.3 Online Survey with Brands/Buyers

We invited all our brand/buyer partners and contacts to participate in an online survey about young/juvenile workers. The survey collected data on brands/buyers' perception of young/juvenile workers, their awareness on situation/issues related to young/juvenile workers as well as their special needs, the support/programmes they provide for their suppliers to benefit young/juvenile workers etc.

In total, we collected 27 valid responses from brands/buyers with suppliers in China.

1.2.4 Online Survey with Suppliers

We designed a supplier survey targeting factory management/HR to get first-hand information about the young/juvenile worker demographics in their factories, their experience and challenges managing young/juvenile workers, their perceptions towards young/juvenile workers, the level of support/ benefits they provide for young/juvenile workers as well as the support they receive from their brand clients to provide such benefits to young/juvenile workers.

Many of our brand/buyer partners invited their suppliers in China to participate in the online supplier survey. We also distributed the survey directly to our factory contacts. In total, we collected valid responses from 46 suppliers, some of them are factory management and some are HR representatives.

1.2.5 Interviews and Focus Group Discussion (FGD) with Juvenile Workers

CCR CSR projects typically run in partnership with international brands/buyers in their 1st tier factories. So far, we have encountered very few juvenile workers in the factories that we have worked with. Our assumption is that juvenile workers are usually concentrated in lower tiers that are less regulated, as most 1st tier factories are reluctant to hire them for fear of compliance risks. Regardless of our efforts, we were unable to include lower tier factories in the study due to lack of leverage/business power over them.

Fortunately, one of the participating factories of the supplier survey had 16 juvenile workers, and allowed us to conduct a worker survey with their young and juvenile

workers, as well as four interviews and a focus group discussion (FGD). Although small in sample size, these in-depth interviews and discussions with juvenile workers helped us get a better understanding of the working lives of juvenile workers, their experience, challenges and needs, and provided us with valuable information to supplement our knowledge of young/juvenile workers.

1.3 SURVEY SAMPLE DESCRIPTION

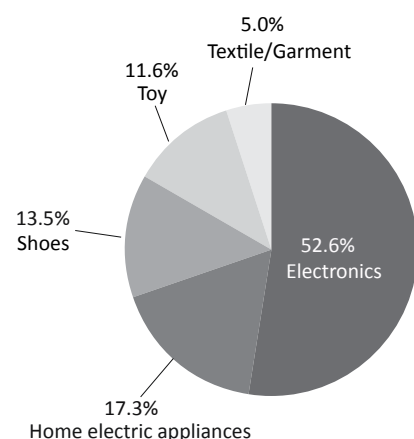
The following paragraphs will provide background information of the respondents of the worker survey and interviews/FGDs, factory management survey and the brand/buyer survey.

1.3.1 Worker Survey

Industries

The worker survey sample came from seven factories, of which three are electronics factories and the remaining four are textile/garment, shoe, toy and home electric appliances factories. Chart 56 describes the distribution of the worker survey sample in these industries⁹⁶. It is not by random chance more than half of the workers in the worker survey sample belong to the electronics factories. Although our projects (and the worker surveys) are carried out in a wide range of industries, and electronics industry is not the majority, it is the industry with the highest ratio of young workers (Chart 56). As we chose the factory surveys with a minimum 20 young workers to compile the dataset for the worker survey, many factories in other industries were excluded. As we can reasonably assume that the situation might vary among different industries, we compared the data by industry and displayed the results whenever we found a statistically significant difference.

CHART 56: WORKER SURVEY SAMPLE BY INDUSTRY

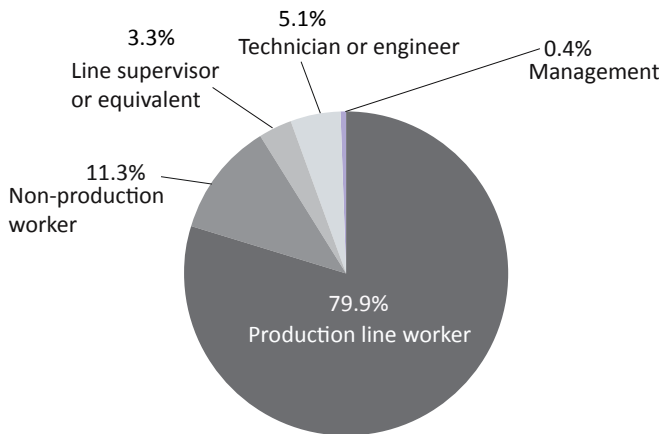


96. 525 observations.

Positions

80% of the surveyed young workers are production line (frontline) workers and 11% are non-production line workers. The other 9% are line supervisors, technicians or engineers or the management (Chart 57)⁹⁷.

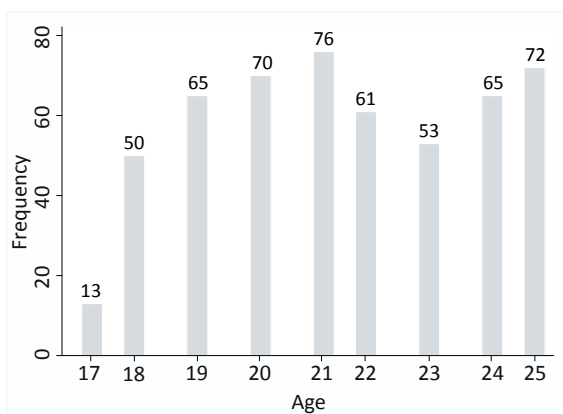
CHART 57: WORK POSITION OF SURVEYED WORKERS



Age

The worker survey we compiled consists of 525 young workers who are aged 25 or younger. It also includes 13 juvenile workers (8 female). Chart 58 is the frequency distribution of workers' age in the sample. The average age of the workers in the sample is 21.5, and even though the female workers are slightly older on average, the difference is not statistically different.

CHART 58: AGE DISTRIBUTION OF WORKER SURVEY RESPONDENTS



Gender

Our young worker sample consists of 47% female and 53% male workers. However, it should be noted that this gender distribution in our sample is not representative of the industries that the workers came from, as most of our sampling process for the surveys in this study adjusted weights for certain subgroups such as parents. Therefore,

in Chapter 3, when describing gender distribution of young workers in export manufacturing, we used the full worker list of our project factories instead of the worker survey data.

Age Groups

Table 1 breaks down age groups by gender. We divided age into three different groups to make comparisons between them: first, juvenile workers aged 17 (youngest in the sample); second, 18-21 year-olds; and third, 22-25 year-olds.

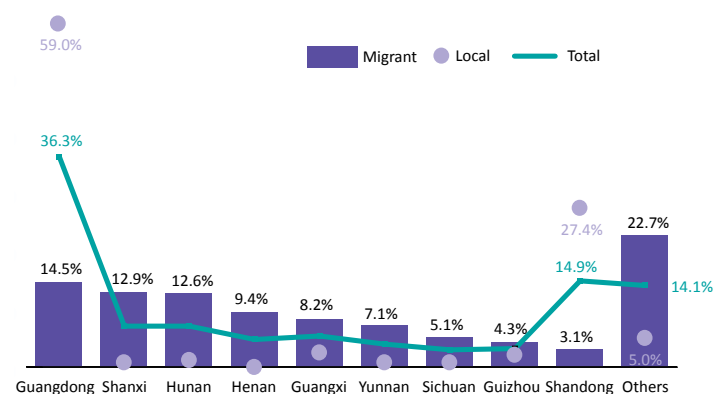
Table 1: Age Groups by Gender

Age groups Gender	17 years old	18-21 years old	22-25 years old	Total
Female	8 (62%)	115 (44%)	124 (49%)	247 (47%)
Male	5 (38%)	146 (56%)	127 (51%)	278 (53%)
Total	13	261	251	525

Origins & Migration

54% of the young workers in the study are migrant workers⁹⁸. There is no significant difference in the ratio between migrant female and male workers. Six out of seven worker survey factories are located in Guangdong Province, which is also where most workers – both migrant and local – come from (Chart 59). One factory is located in Shandong Province, where the second largest sample of local worker data came from. As for the migrant workers, the majority come from Guangdong (15%), Shanxi (13%) and Hunan (13%).

CHART 59: ORIGINS OF MIGRANT AND LOCAL WORKERS⁹⁹



97. 488 observations.

98. 525 observations.

99. 496 observations.

Marriage and Children

Only 19.5% of the young workers in the sample are married¹⁰⁰. The ratio of married workers is significantly higher among female workers (29.6%) than males (9.8%). 95% of the married workers are 20 years or older, meaning 5% are teenage marriages.

While only 14% of the young workers have children¹⁰¹, 62% of the married workers in the sample have children. Naturally as more female workers are married, significantly more female workers (22.2%) have children than males (7.3%).

1.4.1. Brand/Buyer Survey

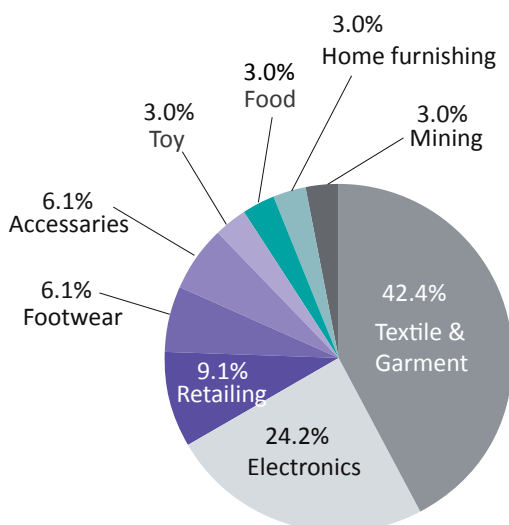
27 brands/buyers participated in the online brand/buyer survey, of which 25 are foreign enterprises, with one domestic and foreign joint venture and one domestic enterprise (Figure 1).

Figure 1: Company type of participating brands/buyers



Most of the brand representatives come from the textile/garment sector followed by electronics (Chart 60).

CHART 60: INDUSTRIES OF THE BRANDS/BUYERS



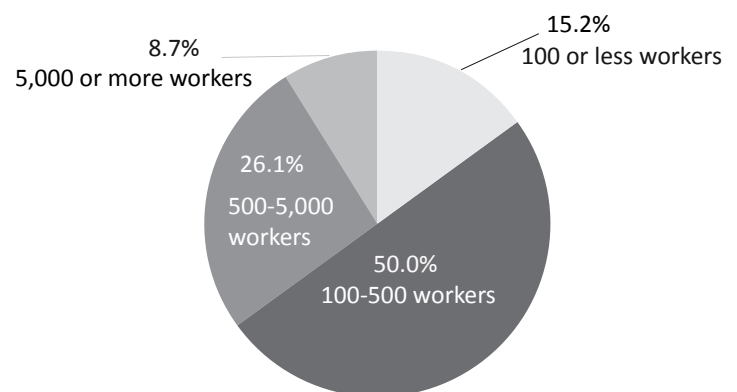
The brand/buyer representatives are managers or heads of various departments related to supply chains such as CSR, sourcing and sustainability. They have an average of 12 years' experience in the field related to supply chain management/social compliance/ethical trade.

1.4.2. Supplier Survey

46 factories in China – most of which are the suppliers of our brand/buyer partners – participated in our supplier survey targeting factory management.

Half of the participating suppliers/factories are medium size factories with 100 to 500 workers. More than a quarter were small factories with less than 100 workers (Chart 61).

CHART 61: SIZE OF THE PARTICIPATING SUPPLIERS/ FACTORIES



The clear majority (79%) of the participating suppliers/factories are domestic enterprises producing for the international market (Figure 2).

Figure 2: Company types of participating suppliers/factories

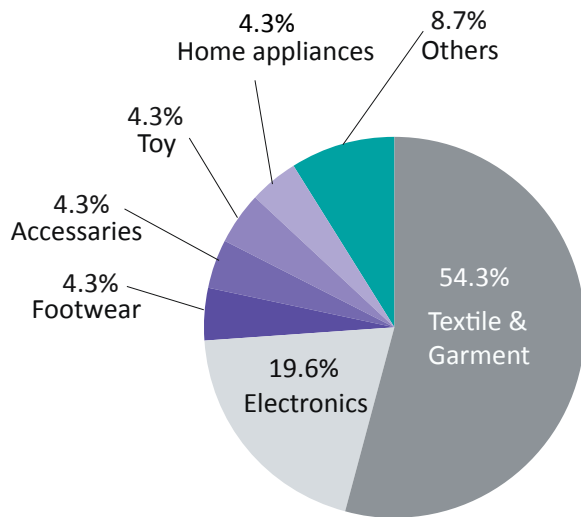


100.400 observations.

101.510 observations.

Naturally similar to the participants of the brand/buyer survey, most of the suppliers are in the garment/textile sector, followed by electronics (Chart 62).

CHART 62: INDUSTRIES OF THE SUPPLIERS / FACTORIES



APPENDIX 2: CHECKLIST FOR SETTING UP YOUTH DEVELOPMENT SUPPORT SYSTEMS INSIDE FACTORIES

Management of Juvenile Workers

1. Avoid placements in hazardous positions
2. Provide free health screenings
3. Do not schedule overtime work/night shifts
4. Register at the local labour department
5. Provide training on health and safety
6. Provide training for the management team on managing juvenile workers;
7. Establish a communication and grievance system for juvenile workers;
8. Provide accommodation and food for juvenile workers;
9. Regular inspection mechanism (to avoid any risks associated with juvenile worker management)
10. Provide continuous training for all juvenile workers related both to job and life skills
11. Develop and implement individual development path in line with workers' skills, interests and possibilities

Setting up Factory Juvenile Workers Support Programme:

1. Conduct needs assessments to identify attractive and compliant jobs for juvenile workers
2. Transform the traditional production management model, introduce advanced management tools, and establish talent reserves
3. Set up internal apprenticeship programme (specific division of labour, training of multi-skilled workers)
4. Establish mechanisms for training and promotion (including internal selection)
5. Establish a rewarding system for long-term retention
6. Rotation mechanism (allow juvenile workers to try different positions and keep them curious)
7. Personal development plan (develop a future development plan together with juvenile workers)
8. Establish a platform for juvenile workers to share experiences and grow

Recruitment Channel

1. Launch campaigns in the factory that include the “Youth Development Support Plan” to attract out-of-school youth
2. Expand recruitment channels to recruit more juvenile workers through referral, local labour offices and community organizations with access to out-of-school & vulnerable youth
3. Co-operate with vocational schools to establish internship programmes (set up internship base)
4. Set up a work-study programme to support the studying and living of students in need
5. Sign a tripartite agreement (especially for interns and work-study students)

APPENDIX 3: STORIES OF YOUNG WORKERS

Going for the Easy: The Story of a Young Local Worker (Female)

Xiao Yun¹⁰² is only 16 years old. Seven months past 16 to be exact. She landed her first factory job in a shoe factory producing for a well-known international brand and she's the youngest one there. Her first job was at a local restaurant but she only held it out for one day before throwing in the towel. She had to start her shift at the restaurant at 6 a.m. and was paid 1,500 RMB (around 220 USD) per month, a rate unacceptably low for her.

Xiao Yun is from a rural town in Shandong Province where the factory is located. Her father works on their family farm and does some odd jobs, while her mother is employed as service staff in a sanatorium. She has a younger brother who's in 5th grade. Her family doesn't need her income, so she gets to keep all the money she earns.

Xiao Yun finished middle (junior high) school last year (2017) and didn't want to continue to high school. She says she was never a good student and all she wanted

was to "escape school". So, along with few other classmates, she skipped the high school entrance exam. After a few months of resting at home, she found her current job through a job ad at the factory gate. She works at the packaging department pairing shoes with hooks. Compared to school, she finds her job very easy. In her words: "no challenge and no difficulties at all". It only took her 1-2 days to learn the necessary skills for the job. Xiao Yun is aware that she's a juvenile worker so she's not allowed to "do tiring work", "deal with chemicals" or do "nightshifts and overtime".

Xiaoyun says she enjoys a simple life. She spends most of her free time hanging out with friends, watching TV and playing with her cell phone. She bought her cell phone with the savings from her first 2 months at the factory. Although she signed a five-year job contract with the factory, she's not sure how long she will stay or what exactly she'd like to do in the future. For now she says she'd just like to save up some money and potentially start her own business in a few years.

102. Pseudonym.

Choosing Health over Money: The Story of a Young Migrant Worker (Male)

Xiao Wang¹⁰³ is the youngest of three children in his family, and he has two grown-up sisters. He's 17 this year and a farmers' son from Gansu Province. His parents do some odd jobs to earn extra income outside the harvest season. Xiao Wang finished middle (junior high) school two years ago. He admits, without much regret, that he was not doing well in school, and he didn't even get his middle school diploma. There was not much work for him back home in a rural town near Tianshui City, Gansu Province. So, after a few month of doing nothing at home, he travelled to Shandong Province with his eldest sister and brother-in-law who is a local.

Leaving home and moving to a different part of the country was strange at the beginning. Xiao Wang didn't understand the local dialect, and the locals couldn't understand him well either. But after a few months, he got used to it. Right after turning 16, he found a job at a brick factory. He thought the job was "dirty" and "heavy", but the salary was good: 4,000 RMB (around 580 US), which was more than double his current salary of 2,500-2,600 RMB (360-380 USD). After 5-6 months though, Xiao Wang realized that the work was taking a toll on his health, so his brother-in-law found him a job at his current factory.

Since joining this new factory, Xiao Wang has been working in the moulding department engaging in different production processes such as sticking labels. He doesn't remember attending orientation or any kind of training, but the work was easy for him to learn. He felt safer here and didn't see any danger or

risk at work. He understands that he's not allowed to do work that requires the use of PPE.

Xiao Wang lives in factory dorm room with five other co-workers. There are shared bathrooms on each floor with public showers. Regardless of the very basic living conditions, Xiao Wang likes the dorms. He gets along with his roommates and he's happy that he doesn't have to pay for accommodation. Each Friday after work, his brother-in-law picks him up from the factory to spend the weekend with them. Conveniently, he's only a 15-minute drive away.

Xiao Wang doesn't have any big expenses in daily life, except this year, he bought a new cell phone for 1,800 RMB. He eats in the factory cafeteria, spending 6-7 RMB per meal. He gets a 100 RMB meal allowance from the factory every month, which helps him save money on food. He sends some money home to his parents, and gives some to his sister. Other than that, he can save up most of his salary. He has a simple life. He plays on his phone or goes out with friends. He says he doesn't need much entertainment.

Xiao Wang says the most important thing for him about a job is not the salary but the easiness: it should not be a heavy work; and of course, being close to family is also very important. That's why he plans to bring his parents here at some point. Other than that, he has no other plans for future. He says he's not ambitious about being promoted and just wants to learn some new skills. He already sees himself as an adult. "I'm resilient" he says.

103. Pseudonym.

APPENDIX 4: LIST OF PARTNER BRANDS/ BUYERS FOR THE STUDY

Thanks to the support from all the partners for making this study possible, including but not limited to:

1. ARENA	8. ERICSSON	15. LKAB
2. Bel Fuse Inc	9. Esprit	16. MQ
3. C&A	10. Fairphone	17. New Wave
4. Clarks	11. Fossil	18. Varner
5. Clas Ohlson	12. HP Inc.	19. VF Corporation
6. Colosseum	13. IKEA	
7. Continental China	14. Li & Fung	

About CCR CSR

The Center for Child Rights and Corporate Social Responsibility (CCR CSR) has been a pioneer in consulting businesses on child rights since 2009, working in a growing number of Asian countries including China, Hong Kong, Myanmar, Vietnam, Bangladesh, Laos, Malaysia and Indonesia. CCR CSR, a social enterprise, has extensive experience and expertise in helping companies improve, develop and implement sustainability strategies, programmes and projects related to children, young workers and migrant parents.

For more information, please visit www.ccrcsr.com or email us at info@ccrcsr.com.