

## China Clears Fast-Food Giants Of Wage Violations

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The American fast-food giants McDonald's and Yum! Brands have been cleared of charges that they underpaid part-time workers in China, but only because China does not extend legal protection to the legion of student workers who man the nation's fast-food counters.

A newspaper in the city of Guangzhou had charged that McDonald's (nyse: MCD) and two chains owned by Yum! (nyse: YUM), KFC and Pizza Hut, were paying their workers, mainly students, wages as much as 40% below the local minimum for part-timers of 7.5 yuan (97 cents) an hour.

Labor authorities in Guangdong province said Wednesday that the companies had committed no violations, but the reason, embarrassingly for China, was because student workers are not entitled to receive any labor protection.

China adopted minimum wage rules on Jan. 1, with variations for full-time and part-time workers and rural and urban areas.

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