February 2002

Toys of Misery
“Made in China”

Mattel • MGA • Sega • Wal-Mart

Shuihe Electronics Factory
Dongguan City, Guangdong, China

- Mandatory 14.5 to 18.5-hour daily shifts, from 7:30 a.m. to 10:00 p.m. or 2:00 a.m.
- Forced to work seven days a week. Just one day off a month.
- At the factory 113 hours a week.
- Wages of 13 cents an hour: $12.49 for over 100 hours of work.
- Workers cheated—paid just half the legal minimum and overtime wage.
- Workers paid just 10 cents for each $19.99 Sesame Street “Elmo’s Count and Pop Balloon Game” they make. Wages come to just one half of one percent of the retail price!
- Mattel spends 30 times as much on advertising each toy as it pays the women in China who make the toy.
- Fined one hour’s wage for every minute late.
- Fined two days’ pay for working too slowly.
- Handling toxic chemical paints, glues, and solvents with bare hands. No occupational health and safety training.
- Independent union strictly prohibited. Any attempt to defend basic rights will result in firing and perhaps prison.
- Fourteen workers per crowded dirty dorm room sharing double level bunk beds.
- Cafeteria food is “awful” and too little.
- During peak season, workers try to get by on four hours’ sleep a night.
• Mattel, Wal-Mart audits are a joke – the factory is notified 10 days in advance. The factory keeps two sets of books.
• No worker has ever heard of, let alone seen Mattel’s, Hasbro’s, Toys R Us’ or Wal-Mart’s so-called Codes of Conduct.
• Mattel marks up the price of the toys by 520 to 638 percent

- **Eighty percent** of all toys sold in the U.S. are made in China.
- There are three million toy workers in China in 2,800 factories.

**Shuihe Electronic Factory**  
Xinnan District, Qishi Town  
Dongguan City, Guangdong  

Belongs to the **Hongxin Electronic Group**

• The factory first opened in 1993 in Huilai County under the name Cheng-Hong. The name was changed to Shuihe when it moved to its present location in 1997.

• **Number of Workers: 3000** during the normal season, growing to **4,500** during the peak season. Eighty-five percent of the workers are women. The average age of the workers is between 19 and 21 years old. The factory **does not recruit anyone over 25 years of age**. Most women do not remain working at the factory past the age of 28. (Management is anxious to replace these “older” workers, who are worn out from all the grueling overtime hours, with another crop of young women. So the “older” women are pressured to quit since they can no longer keep up with the work.) Out of the 3000 to 5000 workers, just a small handful make it to 40 years old. The factory used to hire workers under 16 years of age, but no longer does so.

**Labels**

--The workers told us the factory produces toys for:

• Mattel  
• MGA Entertainment  
• Sega  
• Epoch  
• Manley  
• Wal-Mart
The workers were also able to photograph some of the toys they were making in mid-2001. These included:

- *MGA Space Invaders/True Color Virtual Reality System*
- *Arcades World Karate Fighter*
- *Sesame Street Elmo’s Count and Pop Balloon Game*
- *Matchmaker Journal*
- *Blackjack*
- *Poker*
- *Dinkie Girl-Bot/Tekno Robot Family for Manley*
- *(There was also a toy with the face of Kentucky Fried Chicken’s Colonel Sanders on the cover.)*

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**Hours / Peak Season**

- **Mandatory** 14.5 to 18.5 hour daily shifts from 7:30 a.m. to 10:00 p.m. or 2:00 a.m.
- **Seven-day workweek; one day off per month.**
- **At the factory 113 hours a week**

**Peak Season:** The busy, or peak, season for the toy industry in China lasts six or seven months each year, stretching from May through November. Toys are churned out in order to reach the U.S. market in time for the holiday season.

During the peak season, production line workers are forced to work an 18.5-hour shift, from 7:30 a.m. to 2:00 a.m., an average of 15 days each month. The other days, the mandatory shift runs 14.5 to 17 hours, from 7:30 a.m. to 10:00 p.m. or 12:30 a.m. The workweek is seven days, with an average of just one day off per month. The only weekly “break” or “rest period” the workers receive is on Sunday night when they are let out “early” at 6:30 p.m.. On this schedule, the workers are at the factory 112.5 to 115.6 hours a week.

**Peak Season 18.5-Hour Shift**

7:30 a.m. to 2 a.m.

<table>
<thead>
<tr>
<th>Time</th>
<th>Description</th>
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<tbody>
<tr>
<td>7:30 a.m.</td>
<td>- 11:30 a.m. (work/4 hours)</td>
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<tr>
<td>11:30 a.m.</td>
<td>- 12:30 p.m. (Lunch/1 hour)</td>
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<tr>
<td>12:30 p.m.</td>
<td>- 5:00 p.m. (work/4.5 hours)</td>
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<tr>
<td>5:00 p.m.</td>
<td>- 6:00 p.m. (supper/1 hour)</td>
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<tr>
<td>6:00 p.m.</td>
<td>- 2:00 a.m. (work/8 hours OT)</td>
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Typical Peak Season Workweek

- **Monday:** 7:30 a.m. to 2:00 a.m. At factory 18.5 hours. Paid for 16.5
- **Tuesday:** 7:30 a.m. to 10:00 p.m. At factory 14.5 hours. Paid for 12.5
- **Wednesday:** 7:30 a.m. to 2:00 a.m. At factory 18.5 hours. Paid for 16.5
- **Thursday:** 7:30 a.m. to 10:00 p.m. At factory 14.5 hours. Paid for 12.5
- **Friday:** 7:30 a.m. to 2:00 a.m. At factory 18.5 hours. Paid for 16.5
- **Saturday:** 7:30 a.m. to 12:30 a.m. At factory 17 hours. Paid for 15
- **Sunday:** 7:30 a.m. to 6:30 p.m. At factory 11 hours. Paid for 9

Working seven days a week; at the factory 112.5 hours, while paid for 98.5 hours.

In May of 2001, some production line workers reported being forced to work a total of 450 hours a month, working seven days a week, without a single day off all month. On average this would put the toy workers at the factory 16.5 hours a day. Subtracting lunch and supper breaks, they have actually worked 101.6 hours a week.

When the workers are required to remain until 2:00 a.m., management provided them a special “Snack Fee” bonus amounting to 3 rmb, or 36 cents.

**Days off are rare:** In order to take a day off – even Saturday or Sunday which are supposed to be legal working holidays – a worker must submit a written application beforehand. If the factory has a lot of orders pending which must be shipped out, permission is always denied. Only a very small minority of the workers even go through the process of seeking a day off. The rest are resigned to the factory’s schedule. One person interviewed, who worked at the Shuihe Electronic Factory from July 3, 2000 through June 20, 2001, reported receiving just 15 days off in the entire year he worked there. This appeared typical, with workers receiving approximately one day off a month.

At Shuihe, the workers are supposed to get five paid vacation days: two days for the May 1 labor day holiday and three days for the Chinese Spring Festival. Not all workers received these holidays, and there are cases of workers who have not be able to get leave to travel home to their villages for the Spring Festival for the last three or four years.

Even during the normal or slow season, which lasts five months from December through April each year, the hours can still be grueling. It is **common to be forced to work a seven day, 75-hour week.**

There are no regularly scheduled weekly rest days. Instead, breaks are given on an irregular basis whenever the factory lacks production materials. In this way, during the five-month normal season, the workers receive approximately 20 days off due to the lack of materials, averaging one day off a week. Then, to make up for lost time, there are long mandatory overtime hours.

If during the seven-month peak season the workers receive an average of one day off each month. This, together with the 20 days off during the normal season, means total time off each year comes to just 27 days.
Wages

- Illegally paid below the Minimum Wage
- 13 cents an hour base wage
- 16 cents for overtime
- Workers cheated – wages come to less than one half of the legal minimum
- Paid $12.49 for over 100 hours of work
- Highest production wage in the factory – 22 cents an hour

Approximately 90 percent of Shuihe Electronic employees are production line workers. According to the assembly workers in the factory, the base wage for production line workers is **1.1. rmb, 13 cents per hour** – which is well below the legal minimum wage of at least **24 cents** an hour. Also, overtime compensation is illegally paid at just **1.3 rmb, or 16 cents an hour**, when by law it should be at least **36.5 cents** an hour.

**Base wage at Shuihe Factory below the Legal Minimum**

(1.1 rmb per hour)

- 13 cents an hour  ($0.1328999)
- $1.06 a day  (8 hours)
- $5.32 a week  (6 days/40 hours)
- $23.04 a month
- $276.43 a year

The legal minimum wage in Dongguan City should be at least 24 cents an hour.

**Legal Minimum Wage (350 rmb per month)**

- 24 cents an hour  ($0.2439597)
- $1.95 a day  (8 hours)
- $9.76 a week  (5 days/40 hours)
- $42.29 a month
- $507.44 a year

By law in China, all overtime must be paid at least a **50 percent premium**, which would be **36 cents an hour**, not the 16 cents an hour paid by Shuihe management.

It also appears – again illegally – that the factory only begins paying the overtime premium after 62 hours of work, not after the 40 regular hours prescribed by law.
### Shuihe Toy Workers Paid Below the Legal Minimum Wage

**Paid Just $14.45 for a Seven-Day, 101.6-Hour Workweek**

**How Shuihe Management Calculates Wages:**

- **“Regular” Time:** 62.3 hours x base wage of 13 cents an hour
- **“Overtime”:** 39.3 hours x overtime rate of 16 cents an hour

\[ \text{Total Hours Worked: 101.6 hours} \quad \text{Total week’s pay: $14.45} \]

**What the Legal Minimum Should Be**

- **Regular Time:** 40 hours x legal minimum wage of 24 cents an hour
- **Overtime:** 61.6 hours x legal overtime wage of 36 cents an hour

\[ \text{Total Hours Worked: 101.6 Hour} \quad \text{Total Week’s pay: $32.30} \]

- Many production line workers paid less than one half of the legal minimum.
- Cheated of $17.85 a week on wages legally due them

Many Shuihe factory toy workers are systematically cheated out of $17.85 a week in regular and overtime wages legally owed them. These workers are earning less than one half of the legal wages due them.

During the peak season, working massive amounts of mandatory overtime, some production line workers reported being paid somewhat above the factory’s basic wage, earning 18 to 22 cents an hour. Twenty-two cents was the highest production line wage we heard of in the factory, which is still below the legal minimum.

### Peak Season Wage Range

- **For a 7 day/101.6 Hour Workweek**
  - 650 to 800 rmb a month for 450 hours of work
  - 18 to 22 cents an hour
  - $2.58 to $3.18 a day (14.5 hours)
  - $18.12 to $22.31 a week (7 days/101.6 hours)
  - $78.53 to $96.65 a month
  - $942.38 to $1,158.85 a year

There were also seemingly small but, given the low wage rates, actually quite significant deductions from the workers’ wages for room and board, water and the temporary residency permit required by the Chinese government. Workers in China are not free to move about and are required to have government-issued temporary residency permits to migrate from rural areas to seek factory work in the industrial cities. This residency permit costs 65 rmb ($7.25) per year, and is deducted over time from the workers’ wages. The factory also charges the workers...
60 rmb ($7.25) per month for food and lodging. The workers are also charged 60 cents a month for water.

If we go back to the workers’ base wage of $14.45 for a 101.6 hour workweek, we can see how these deductions quickly add up.

<table>
<thead>
<tr>
<th>Base Wage: $14.45 (7 day/101.6 hour week)</th>
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<tbody>
<tr>
<td>Deductions:</td>
</tr>
<tr>
<td>minus $1.67 a week for room and board</td>
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<tr>
<td>minus $0.14 a week for water</td>
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<tr>
<td>minus $0.15 a week for temporary residency permit</td>
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<tr>
<td>Take-home pay: $12.49</td>
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- There are also other deductions such as the 40 rmb ($4.83) deposit which the company requires each worker to pay before they can begin working at the factory. Any worker leaving before completing at least six months on the job forfeits this deposit.

Workers paid just 10 cents for every $19.99 Sesame Street toy they make--their wages amount to just one half of one percent of the toy’s retail price.

- Management sets an average production goal, or quota, for each 60-person assembly line at 1,050 completed toys in an eight-hour shift. Of course, the actual number produced varies with the complexity of the toy being assembled. However, for a relatively simple toy line like Sesame Street’s “Elmo’s Count and Pop Balloon Game,” the workers would have to produce at least 131 games an hour.

Even if we use the highest production wage in the factory, 22 cents an hour--which by no means all the workers received--then the hourly payroll for the entire 60-worker assembly line is just $13.20 ($0.22 x 60 = $13.20). As mentioned, these same workers have to produce at least 131 Sesame Street “Elmo’s Count & Pop Balloon Game(s)” each hour. The game retails in the U.S. for $19.99.

In this way we can calculate that the direct labor cost to assemble each toy is just 10 cents ($13.20 ÷ 131 = $0.1007633). Further, the cost of labor is so insignificant now that it amounts to only one half of one percent of the toys’ retail price ($0.1007633 ÷ $19.99 = 0.005).

This not only demonstrates the enormous level of exploitation involved, but also proves how easy it would be for the large toy companies and retailers to pay at least subsistence-level wages, which would add just pennies to the cost of the toy.
Mattel spends 30 times as much on advertising each toy as it pays the young women in China who make it!

Workers paid 10 cents to make the toy, while Mattel spends $3.00 to advertise it.

Mattel spent $686 million on advertising in the year 2000, which amounted to an astonishing 15 percent of Mattel’s total gross revenues of $4.7 billion. In other words, a full 15 percent of the retail price of each toy Mattel sells goes toward advertising—or “branding.”

For example, for each $19.99 Sesame Street “Elmo’s Count & Pop Balloon Game” Mattel sells, Mattel spends $3.00 to advertise the toy. While Mattel spends $3.00 on branding, the young women who make the toy, working 14.5 to 18.5 hours a day, seven days a week in China are paid just 10 cents for each “Elmo’s Count & Pop Balloon Game” they make. The workers’ wages amount to just one half of one percent of the game’s retail price, while the cost of advertising--or branding--amounts to 15 percent. Mattel spends 30 times as much on advertising as it pays its workers.

Strict, prison-like rules and regulations. No worker rights for these toy workers

Some toys are not only great fun, they can educate, help develop the imagination and actually help shape and empower young people. However, this is definitely not the case for the young workers in China who make these toys. They have no rights. Their every action is micro-managed by the company through a myriad of rigid, draconian regulations backed up by stiff fines and the threat of firing.

- **No talking / No movement**: “During business hours, employees must not leave their work station, must not talk, not joke, cause no disturbance to others work…or exhibit any behavior unrelated to work.” Offenders will be fined, depending on the severity of the “crime,” 10 to 20 rmb, $1.21 to $12.08, which amounts to the loss of over a day’s wage up to a full two weeks’ salary.

- **Fined for working too slowly**: Employees not working fast enough in the eyes of their supervisors - i.e. falling behind in their production quota--will be fined 20 rmb, $2.42, which amounts to the loss of more than two days’ base wage.

- **One hour’s wage deducted for every minute late**: The first time someone arrives late to work, the fine of 10 rmb, $1.21, which equals the loss of one day’s base wage. Second-time offenders will be fined 1 rmb, or 12 cents (nearly an hour’s wage) for every minute they are late. (The base wage is 13 cents an hour.) Multiple offenders will be fired.
• **Fined over three days’ wages for every day missed:** “Any absence from work must be asked for in advance. Each incidence of absence from work without written permission will result in a fine of **30 rmb** [$3.42--which is more than three days’ base wage]. If more than three absences occur without permission in any six month period, the employee will be treated as if resigned (fired), and all back wages will be withheld.”

• **Fined for leaving early:** “Anyone leaving early will be fined **10 rmb** [$1.21--more than a day’s base wage].” Repeat offenders may be fired.

• **“Lingering” after work--fined two days’ wages:** Any worker “lingering”—not punching out immediately after the shift ends—will be fined **20 rmb, $2.42**, which amounts to the loss of more than two days’ base wages.

• **Failures in quality met with firing:** “Work quality must be kept up. Any manufacturing in a rough way, which causes faulty production, can lead to dismissal of the one responsible.”

• **Dropping toy parts--fined up to two days’ wages:** “Anyone who drops a toy part onto the ground will be fined 2 to 20 rmb [24 cents to $2.42, which represents two hours’ to more than two days’ base wage.]

• **Loss of one day’s wage for failure to wear ID:** “All staff must wear factory ID when passing the gate and wear work uniform during working hours. Any offender will be fined 10 rmb [$1.21, which is more than one day’s base wage].”

• **Failure to punch in or out--loss of two weeks’ wages:** “Failure to punch in or out…will result in a fine of 100 rmb [$12.08, which is more than two weeks’ wages].”

• **Disobeying supervisor--could result in loss of two days’ wages:** “During working hours, all assignments and directions must be absolutely obeyed. Offenders will be fined 5 to 20 rmb”—[$0.60 to $2.42, which means the loss of between 4 ½ hours’ to more than two days’ wages].

• **Any worker damaging tools must pay for the tool:** “Offenders damaging factory property, including tools, must pay for the loss.”

• **Strict security demanded--no discussion of factory conditions with outsiders:** “No release of information on factory conditions, production or business practices to outsiders.”

• **Stepping on the grass will cost you a week’s wages:** “Do not step on the grass: Offenders will be fined 50 rmb--[$6.04, which is more than one week’s base wage].”

• **Dorm Rules:**
  - **Loud talking after 11:00 p.m.--fined 20 rmb--$2.42**, more than two days’ base wage;
  - **Dirty dorm room--fined 10 rmb, $1.21**, or more than a full day’s base wage;
  - **Bringing food into the dorm--fined 10 rmb, $1.21**, more than a full day’s base wage;
• **Lights out at 12 a.m.—or fined more than two days’ wages:** “After 12 a.m. no lights on without permission, or the offender will be fined 20 to 50 rmb [$2.42 to $6.04].”

• **Letting outsiders into the dorm—fined more than a week’s wage:** “No outsider can stay overnight without permission or the offender will be fined **50 rmb [$6.04]**. **ID must be carried at all times and ready for security check.**”

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**Factory Conditions / Violations**

- **Abusive Treatment:** Workers report suffering a lot of abuse, yelling and scolding on the part of some supervisors, such as Gao and Yonggheng Ma. **As punishment, workers are made to stand still for long periods of time.**

- **Handling toxic chemicals with no training:** Like other toy workers across China, many Shuihe workers are constantly handling toxic chemical oil paints, glues and solvents with their bare hands. The workers receive no formal occupational health and safety training, and do not even know the names of the chemicals they are working with, let alone their health hazards. (Some supervisors mentioned glues identified with the numbers 3434, 512, 514 and ABS.)

- In the micro-welding section, the use of infrared high-temperature ovens frequently drives the temperature to over 100 degrees Fahrenheit.

- **No insurance:** The workers have no health insurance or medical coverage, and no pension. In case of an injury on the job, the factory pays only partial medical expenses and no compensation whatsoever to the worker. Nor does the Shuihe factory report these occupational injuries to the government.

- **No legal work contract:** No worker at the factory has been provided the legally mandated written work contract, which would clarify the workers’ rights as well as obligations.

- **Fifty-five workers share one toilet:** There is one bathroom in the factory for every 200 to 300 workers, with four or five toilet stalls each. This means 55 people share the same toilet.

- **Absolute denial of Freedom of Association:** At this point, no toy worker in China has the right to Freedom of Association, and that is certainly the case at the Shuihe factory. The core internationally recognized ILO labor rights of Freedom of Association and the Right to Organize are totally repressed. Any worker trying to defend these core ILO rights will be fired, while suspected leaders could be imprisoned.

- The vast majority of the workers in the factory, over 70 percent, are unaware of their legal rights under China’s labor laws. The country’s labor laws are not a topic that can be discussed or promoted within the factory or dorms.
Corporate Codes of Conduct and Company Audits are a farce: No worker interviewed had ever heard of, let alone seen, Mattel’s, Hasbro’s, Toys ‘R’ Us’ or Wal-Mart’s so-called corporate Codes of Conduct. The Codes remain completely unknown, meaningless. As pointed out earlier, few workers are even aware of their country’s labor laws.

The toy company audits are also a farce. Take the example of a Wal-Mart audit carried out on May 7, 2001.

Usually there is a ten-day advance notice that an audit is about to take place. The cafeteria and dorms are suddenly cleaned and spruced up. Fire safety is improved. As the inspection date approaches, the assembly line is slowed down and the normally grueling overtime hours are radically cut back. The work slows down and production goals are lowered. The factory, which keeps two sets of books, prepares the fake payroll list, which is to be given to Wal-Mart. The real list contains actual salaries paid, the fake one, what the wages should have been under China’s laws.

Dorm Conditions

Twelve to sixteen production line workers share a single, crowded dorm room, the walls of which are lined with double-level bunk beds with just a little over three feet of open space running down the center of the room. There are about 150 people on a floor sharing one washroom. The workers describe the dorm as quite “dirty” and with “poor ventilation.”

The cafeteria food is “awful,” the workers say, and there is never enough, especially for the bigger people with larger appetites.

There are similar complaints from the engineers, who agree that the cafeteria food is of very poor quality and that there is always too little of it. Also, the eating area is “filthy” and they are asking that the cafeteria utensils be properly washed in hot water with soap. Sometimes, the engineers note, “there isn’t even cold water to wash out bowls with.” (Like the production workers, the engineers also complain about the long hours, being forced to work more than 70 hours a week, the bad treatment and low pay).

Trying to get by on four hours sleep a night

After working 18 ½ hours, from 7:30 a.m. to 2:00 a.m., the workers’ day is not over. First they have to line up to punch their time card out. Then they must line up for a body search by the security guards, which is carried out every time the workers leave the factory.

Following the body search, the workers run to their dorm, where they queue up again to shower. If they are lucky and things go well, they could be in bed by 3:00 a.m. Even if they skip breakfast the next morning, which most workers do in order to grab an extra 20 minutes
of sleep, they still must get up no later than 7:00 a.m. to wash and race off to start their shift at 7:30 a.m.

Exhausted, the majority of workers try to hurry through lunch and supper so as to take a 20-minute nap before having to go back to work.

Mattel marks up the price of its toys by 520 to 638 percent!

There is plenty of money available to replace toxic chemicals with safer substances and to pay just wages. In fact, Mattel spends more on advertising its toys than it does on the total cost of production to make the toy.

The attached U.S. Customs Department documents, tracking shipments from the Merton factory in China to Mattel/Fisher-Price prove this.

Factory: Merton Company Limited
   Sang Yuan Industrial Area
   Dongguan City
   Guangdong, China

- On October 26, 2001, 500 Sparkling Symphony Star Beads toys were shipped to Fisher-Price/Mattel with a total landed Customs value of $882. This shows that the total cost of production for each Sparkling Symphony Star Beads toy is $1.76. This includes all materials, direct and indirect labor, shipping and the profit to the factory in China. At Toys ‘R’ Us, the toys retail for $12.99 each. This means there is a 638 percent mark-up over the cost of production. The total cost of production accounts for just 14 percent of the retail price, while Mattel spends 15 percent ($1.95) just to advertise the toys, making the “branding” cost greater than the cost of production.

- On October 19, 2001, 60,000 Learning Sensation Flash Cards toys were shipped to Fisher Price/Mattel, with a total U.S. landed Customs value of $96,501. This means that the total cost of production for each Fisher-Price/Mattel Learning Sensation Flash Cards toy is $1.61. This includes all materials, direct and indirect labor, shipping and the profit to the factory in China. At Toys ‘R’ Us these very toys retail for $9.99. This means there is a 520 percent mark-up over the cost of production. The total cost of production accounts for just 16 percent of the retail price, with 84 percent left over.
Setting the record straight on Mattel

- **Mattel’s Fisher-Price president, Neil Friedman** stated at a press conference on February 7, 2002 that full public disclosure of factory names and addresses was “not an issue” since Mattel had already done that in its annual reports which contain all the names and monitoring reports on these factories.

- **This is untrue.** Mattel’s Year 2000 annual report contains no factory names or addresses. It does state that Mattel owns and operates manufacturing facilities and utilizes third party contractors primarily in **China** but also in **Indonesia, Malaysia** and **Thailand**.

- **Toy Industry “Monitoring”—a case of the Fox guarding the Henhouse!** The toy industry, which has written its own voluntary Code of Conduct, has gone a step further and has now created and sponsors its own monitoring organization called **Toy Factory Audits Limited**.

- In 2000, Mattel had **$4.7 billion** in gross sales. Gross profit was **$2.1 billion** while net profit was **$378.4 million**.

- In 2000, Mattel’s effective income tax rate was just **24.5 percent**—which is much less than the **38 percent** most individuals pay in federal, state and local taxes.

- **Mattel knows that toy manufacturing can be a dirty industry.** In fact, Mattel is currently being forced to clean up serious ground water pollution at two former Mattel plant locations in New York and Oregon. In both places, ground water was seriously polluted with dangerously elevated levels of chemicals such as **trichloroethylene**.

  This is like asking the Fox to guard the Henhouse.
Making our Toys:

Voices of Young Toy Workers in the South of China

“I’ve been working since I was 15 years old. People said you could earn more in Guangdong, but it’s worse here. I’ve worked in the spraying department for three years. I’ve always suspected the paints are poisonous. I’ve been sick every since I started working in spraying. And they lie about the wages. We never know how they’re calculated. There’s no pay stub and no way to check. We’re given a sheet of paper with a lot of numbers on it to look at for a few seconds and then have to sign it. We get what they give us.”

“Every day we work in temperatures that can over 100 degrees. The molding machines are noisy and hot. The air is filled with a strong chemical smell. I have to repeat the same motions, over and over, open the machine, put in the plastic, press the machine, take out the plastic... A lot of us can’t stand the heat, the smell and the noise, and some of us faint.”

“The chemical smell is strong at the workplace and you can see paint dust everywhere. I wanted to throw up every day when I first came. I never stopped having stomachaches and dizziness in the first month.”

“We have seen people faint at the workplace. That’s expected. We are tired, we get low pay, we don’t eat well, we can’t sleep well, and we want to save every penny we get. A lot of us young girls just buy an ice-cream or a slice of watermelon for lunch. You just don’t want to eat, being so tired and under such heat.”

“The major problem is fatigue. My shoulders are stiff and aching after days and nights of work. We have very little time to rest. I don’t complain about working hard. It’s expected because we need the money. But what happens now in this factory is that I’m tired to death and I don’t earn much. It makes everything meaningless.”

“We work long overtime hours like dogs. It’s after midnight when we get back to the dormitory. And it makes you even more tired when you see the long line at the bathroom. By the time I go to bed, it’s already 2 a.m. and at 8 a.m. the next day, I am already at my work place. It’s the same every day. It’s very exhausting.”

“This factory plays tricks with our time. If we cannot finish the quota, our working hours are deducted. Once they marked my time card six hours when actually I had worked 14, until midnight.”

“Only management staff gets [the legally required] maternity leave. Production workers like myself work as usual even if we are pregnant. When you are about to give birth, you have to quit. Management makes sure of that.”

“The working hours are long and the pressure is terrible. My team has to finish 45,000 units every day. During the peak season we usually work until midnight every day. We have no day off. Now we are working a night shift, from 6 p.m. to 6 a.m. because of a big new order. The
overnight work avoids the inspection of the client, but it makes us very tired. We can't help dozing off, and for that we are fined 30 to 40 rmb” ($3.62 to $4.83).

“We work until 11:00 p.m. at night these days. Back at the dormitory, you have to take turns to take a shower, wash your clothes and you can get to sleep only around 2:00 a.m. The following morning you have to get up at 6:30 a.m. for breakfast and go to work at 7:30 a.m. How can we have enough sleep?’”

“During peak seasons, we worked at least three hours overtime. That is the case from Monday to Saturday. We don’t have to work overtime on Sunday night. We have not taken a day off for month now. In the worst case, we have to work overnight. But after all this, rmb 600 to 700 [$72.47-$84.57] is all I get. This includes everything, overtime rate and allowances. We ‘take a vacation’ when there are no orders. The food at the dormitory is poor and the workers have to eat outside. My wife and I rent a tiny squatter nearby (perhaps seven by seven feet). We eat, sleep, cook and bathe inside this small cube. It costs us rmb 70 [$8.46] a month. We spend another rmb 200 [$24.16] a month on food. Including other basic expenses, we have to spend rmb 400 to 500 [$48.33 to $60.41] a month. You can tell how much is left of my wages. And we have to save money for the low season when nobody can tell how much work there will be to do. I just learned from my colleagues that we will take a long ‘vacation’ starting in October…”

“Our work is counted by the piece, so everybody wants to finish as man pieces as possible. We had a better price for our job last year. It is much worse this year. I went to work every day and I got only rmb 600 to 700 a month [$72.49-$84.57]. For a lot of workers, the average is just rmb 400 or 500 a month [$48.33-$60.41]. And we pay for our food and lodgings. If it were not for sending my son to school, I would never work in the Spraying Department.”

“There is a lot of overtime work in this factory. We work 10 to 15 hours a day. I’ve been working for more than four months and I got two days’ leave only. I get rmb 600 to 800 a month ($72.49 to $96.65). I pay for my food and I rent a place for rmb 30 ($3.62). My two younger brothers are in school and I came to work here to support them. But the wages are so low that I have difficulty even supporting myself. That’s why I haven’t sent a penny home. I never imagined working in a factory means laboring non-stop from day to day. I’d quit for a better factory if there is one.”

“I’ve been here for more than a year. The highest salary I got was rmb 800 ($96.65). I had to work till 12 midnight or later every day for that. The lowest I got was rmb 200 ($24.16). That was delivered after the Chinese New Year. We had a bad time this Chinese New Year (end of January). Factory X delivered lunch coupons to their workers – we in this factory got nothing. We had no money for the New Year. We did not even have money to eat. I knew of workers picking up remains in the canteen. We are still angry about it. How can you treat workers like this?”

“We sleep very little. When we come back to our dormitory, it is after 12:00 a.m. There are only two bathrooms on the dormitory floor. It takes three hours (till 3:00 a.m.) before all of us can finish our showers. … It pissed us off that there was no water. You could not take a shower. You could not wash your face or brush your teeth the next morning. We are all exhausted. We can take a half-day rest after working overnight. But it is not enough. It is difficult to ask for a day off when we have to rush production. Even if you are so lucky to have a day off, you are not allowed to stay in the dormitory. We can only go outside and sleep under the trees.”
“They told you to take a rest -- We all know it means you are fired.”

“I’ve worked for more than a year now. The highest wages I’ve gotten was 700 rmb ($84.57) a month. I make an average of 500 to 600 rmb ($60.41 to $72.49) and 300 rmb ($36.25) during slack season. My husband also works in Shenzhen. He’s a driver and earns 1500 rmb ($181.23) a month. My kids are left with my parents at home. My husband I come from a poor village where nothing grows on the land. We had to leave. We live separately because we can’t afford to rent a flat. We meet every Saturday. I can’t save much on my salary. In toy factories, you get a better income only during peak season. When the slack season comes, you can’t even survive with what you get, never mind saving anything.”
Labor Law in China

Hasbro, Mattel/Fisher-Price, Disney, McDonald’s, Toys “R” Us and Wal-Mart routinely violate China’s labor laws with impunity. The U.S. companies know that the government of China does almost nothing to implement its own labor law.

**China’s Labor Code:**

- **An 8-hour workday, 5 days a week, a 40-hour workweek**
  Article 36: The state shall practice a working hour system under which laborers shall work no more than eight hours a day and no more than 40 hours a week on average (as of May 1, 1997)

- **Prohibiting Excessively High Daily Production Quotas**
  Article 37: In the case of laborers working on the basis of piecework, the employing unit shall rationally fix quotas of work and standards on piecework remunerating in accordance with the working hour system stipulated in article 34 of this law.

- **No Forced Overtime/Overtime Strictly Limited to Nine Hours a Week/ Legal Work Week Capped at 49 hours.**
  Article 41: The employing unit may extend working hours due to the requirements of its production or business after consultation with the trade union and laborers, but the extended working hours for a day shall generally not exceed one hour; and such extended hours shall not exceed three hours a day and only under the condition that the health of the laborer is guaranteed. However, the total extension in a month shall not exceed thirty-six hours.

  This means that overtime work should never exceed three hours a day, making the longest legal shift permitted 11 hours. It is illegal to work more than 9 overtime hours a week. That caps the longest legal workweek allowed at 49 hours.

- **All Overtime Work Must Be Paid at a Premium**
  Article 44: The employment unit shall, according to the following standards, pay laborers remuneration higher than those for normal working hours under any of the following circumstances:
  1. to pay no less than 150 percent of the normal wages if the extension of working hours is arranged;
  2. to pay no less than 200 percent of the normal wages if the extended hours are arranged on days of rest and no deferred rest can be taken;
  3. to pay no less than 300 percent of the normal wage if the extended hours are arranged on statutory holidays.

- **After one year, all workers are entitled to paid annual vacations**
  Article 45: Laborers who have kept working for one year and more shall be entitled to an annual vacation with pay.
• **Detaining Workers Wages, Fines or Mandatory Deposits is Illegal**
  Article 50: Wages shall be paid monthly to laborers themselves in the form of currency. The wages paid to laborers shall not be deducted or delayed without justification.

• **Companies Must Join and Pay into Social Security**
  Article 72: The employing unit and laborers must participate in social insurance and pay social insurance premiums in accordance with the law.

• **No Discrimination Against Women**
  Article 12: Laborers shall not be discriminated against in employment, regardless of their ethnic community, race, sex, or religious belief.

• **The Right To Organize Independent Unions**
  Article 7: Laborers shall have the right to participate in and organize trade unions in accordance with the law.

• **Every Worker Has the Right to a Written Work Contract**
  Article 16-19: A labor contract is the agreement reached between a laborer and an employing unit for the establishment of the labor relationship and the definition of the rights, interests and obligations of each party. A labor contract shall be concluded in written form and contain the following clauses [including]: wages, working conditions, type of work.

• **Safe and Healthy Working Conditions**
  Article 52: The employing unit must establish and perfect the system for occupational safety and health, educate laborers on occupational safety and health, prevent accidents in the process of work, and reduce occupational hazards.

• **Protecting Juvenile Workers**
  Article 58: The State shall provide female and juvenile workers with special protection. [For example, 16 and 17-year-olds cannot work more than eight hours a day or at night.]
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