FOR IMMEDIATE RELEASE

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NEW YORK - China Labor Watch (CLW) today published a 66-page investigative report on continued labor rights violations in the toy industry. The four-factory investigation includes plants that manufacture for Mattel and Fisher-Price, Disney, Hasbro, Crayola, and other major international toy brand companies. During the investigation, the factories were making toys like Barbie, Mickey Mouse, Transformers’ Optimus Prime, and Thomas the Tank Engine.

The investigation, carried out from June to November 2014, targeted labor conditions in four facilities in Guangdong, China: Mattel Electronics Dongguan (MED), Zhongshan Coronet Toys (Coronet), Dongguan Chang’an Mattel Toys 2nd Factory (MCA), and Dongguan Lung Cheong Toys (Lung Cheong).

Collecting data through undercover probes and off-site worker interviews, the investigation exposes a set of 20 legal and ethical labor violations that include hiring discrimination, detaining workers’ personal IDs, lack of physical exams despite hazardous working conditions, workers required to sign training forms despite little or no safety training, a lack of protective equipment, ill-maintained production machinery, fire safety concerns, incomplete or nonexistent labor contracts, overtime hours of up to 120 hours per month, unpaid wages, underpaid social insurance, frequent rotation between day and night shifts, poor living conditions, environmental pollution, illegal resignation procedures, abusive management, audit fraud, and a lack of effective grievance channels and union representation.

In 2007, CLW conducted an in-depth investigation of toy factories that produced for some of the same major toy brand companies and uncovered many of the same labor abuses found in 2014, suggesting that over the past seven years, the state of labor conditions in the toy manufacturing industry has failed to improve and may even be deteriorating relative to other industries.

These ongoing labor violations are connected to the manner in which multinational toy companies do business with factories in their supply chains. Many toy companies divide their toy orders among dozens or hundreds of factories in order to ensure that their orders in any given factory only consists of a small proportion of that factory’s total orders. Toy companies can shift their orders between suppliers with relative ease, which puts factories in a weak bargaining position. The manufacturers consequently have little choice but to accept the production price put forward by the toy company. But toy companies maintain strict demands on material and product quality, so labor costs ultimately become the only flexible factor. Workers, situated at the bottom of this system, are forced to bear the cost.

Toy companies also use their supplier relationships as a basis for avoiding responsibility for poor or illegal labor conditions. If labor abuse is uncovered in a toy company’s supplier chain, the company may blame the factory or even blame other clients of the factory. If public pressure is too intense, toy companies will claim that the factory failed to respect their code of conduct and, on this basis, end business with the plant. In this way, a toy company can make a public show of standing up for workers’ rights while reducing their own risk and costs to their business. Instead of acting with a true sense of responsibility, most major toy companies will use coping and delay tactics when faced with labor violations.

In addition to maximizing profit via suppliers, some toy companies will directly manage a number of factories in order to guarantee product quality and inventory. But poor and illegal labor conditions are a universal problem in the toy manufacturing industry, and even these directly controlled factories violate workers’ rights, as evidenced by CLW’s new report. Despite this, the companies who manage these factories will push off responsibility for labor violations to others, claiming that it’s an industry problem.

Leaders in the toy industry must take genuine steps now to improve labor conditions in their supply chains. First, working conditions in the toy industry must be made transparent and off-site worker interviews will be needed. Second, toy companies must encourage companies making their toys in China to support direct election of union representatives by factory workers, especially in Guangdong Province where the official union is in the process of conducting union reform. Third, toy factories should have an effective complaint hotline that is accessible to workers and, critically, able assist the workers in resolving their grievances and defending their rights.

Read CLW’s 66-page toy report.
About China Labor Watch

Founded in 2000, China Labor Watch is an independent not-for-profit organization. For more than a decade, CLW has collaborated with labor organizations and the media to conduct in-depth assessments of factories in China that produce toys, bikes, shoes, furniture, clothing, and electronics for some of the world’s largest brand companies. CLW’s New York office creates reports from these investigations, educates the international community on supply chain labor issues, and pressures corporations to improve conditions for workers.

Contact

(For English)

Kevin Slaten  
Program Coordinator, China Labor Watch  
E-mail: clw@chinalaborwatch.org  
Phone: +001 212-244-4049  
147 W 35 St Ste 406  
New York, NY 10001

(For Chinese)

Li Qiang  
Executive Director, China Labor Watch  
E-mail: clw@chinalaborwatch.org  
Phone: +001 212-244-4049