




The Other Side of Fairy Tales: Widespread Labor Abuse in Factories Producing Top Toy Brands

Friday, November 20, 2015

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NEW YORK - Results of an in-depth investigation published today by China Labor Watch (CLW) reveal a litany of major legal and ethical violations at five Chinese factories supplying toys to Hasbro, Mattel and Mattel-owned Fisher Price, McDonald's, Jakks Pacific, Disney, NSI Toys, Battat, MGA Entertainment, and Walmart.

The 123-page report ([PDF](#) ) , based primarily on information gained via undercover investigation, detailed 29 violations, at least 21 of which violate Chinese legal regulations. Findings included hiring discrimination, a lack of health exams despite hazardous work environments, hiring fees, confiscation of personal IDs, incomplete labor contracts, overuse of temp workers, excessive and mandatory overtime work, short break times despite 12-hour work shifts, wages at the legal minimum, wage theft, lack of mandated insurance, legally inadequate safety measures, poor living conditions, inspection fraud, and a lack of a functioning labor union.

CLW Executive Director Li Qiang said, "Chinese toy workers' wages remain insufficient to maintain basic living costs. Toy workers often must do mandatory overtime work, but even when it is voluntary, workers need lots of overtime to make ends meet."

Some of the specific toy brands observed in the workshops investigated this year by CLW include Frozen, Monster High, Nerf, Marvel, Star Wars, Wubble Ball, Battat, and Lalaloopsy. Most of these toy products are sold at U.S. retailers like Walmart.

The toy industry has been sourcing from Chinese factories for 20 years. It has been touting legal and fair treatment of workers since at least 2002. Mattel even published a code of conduct in 1997. Yet in 2015, we continue to observe the continued failure among toy industry leaders to ensure some fundamental legal rights of workers, to say nothing of fair treatment.

CLW compared findings of this year's investigation with those of 2012 and 2013, concluding that despite the toy companies' clear awareness of serious abuse in their supply chains, as revealed previously by CLW, most of the problems have persisted or even worsened. For example, at Winson Precision Manufacturing, a supplier to Mattel and Fisher-Price, labor contract violations, forced labor, unpaid legally mandated benefits, and poor living conditions have failed to improve since 2013. Moreover, hiring discrimination, confiscation of personal IDs, working hours, and occupational safety have deteriorated.

Thus is the state of toy product supply chains. Brands demand the best quality, the fastest production time, and the lowest costs, with no regard for how their demands affect the lives of their workers. The ethical purchasing standards flaunted by brand companies are simply a marketing tool. In two decades of toy production in China, poor working conditions have not fundamentally improved.

"Over the past 20 years, toy brands and retailers have reaped tremendous benefits from the labor and sometimes even the lives of Chinese workers," said CLW Program Coordinator Kevin Slaten, "yet these companies fail to respect labor rights and to ensure that workers also enjoy the fruits of the toy industry's success."

The major toy brand and retail companies have the power to influence and control labor conditions in toy factories, and they must bring fundamental reforms to the conditions of workers making their beloved toys. Such reforms include but are not limited to:

- Reduce the use of temporary workers to less than 10% of total workforce;
- Increase workers' base wages to significantly above the local minimum wage so that workers are not dependent on long overtime hours;
- Adjust production schedules so as to ensure that overtime work is strictly voluntary;
- Ensure that resignation does not require "application" and that resigning workers receive due wages upon exit from the factory;
- Compensate workers for all activities that are a mandatory requirement or duty of a job (including group meetings, training, and required on-boarding procedures);
- Provide workers with more spacious and hygienic housing;

- Ensure that workers receive pre-job that is 1) in accordance with legal requirements and 2) sufficient to educate them on all chemicals or procedures which could pose a risk to their short and long-term health;
- Remedy other legal violations mentioned in this report;
- Let workers elect enterprise-level union representatives who can actually represent worker interests.

[The full English report \(PDF\)](#) 

[The full Chinese report \(PDF\)](#) 

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.

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