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Blood & Exhaustion Behind Bargain: Toys Made in China for Wal-Mart and Dollar

General

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Workers in China are forced to work 15 to 19 hours a day, from 7:30 a.m. to 10:30 p.m., or even until 3:00 a.m., seven days a week. Workers must complete one operation every three seconds, repeating the same furious motion 10,000 times a day. The constant repetition wears off their skin, leaving them with sore, blistered and bleeding hands and fingers. It is not a pretty sight, but Wal-Mart says it has a code of conduct and everything is fine in its suppliers' factories in China—which is why, we imagine, Wal-Mart continues to hide its fine factories. Some bargains are not worth the human misery behind them.

Huangwu No. 2 Toy Factory

(Also called Junda Huangwu Toy factory) Huangwu Management Zone Dong Keng Township, Dongguan City Guangdong Province, China

Ownership: Hong Kong capital (Huangwu No. 2 Toy factory is a subsidiary of Tsun Tat Toy Company Ltd. / Tsun Tat Company.)

Factory Phone: 07 69 3381405

- › 300 workers / half men, half women
- › Production: plastic toys including battery operated toy soap bubble guns, heart-shaped bubble rings, heart-shaped bottles of soap bubbles, toy kittens, toy cars and boats, etc.
- › According to the workers, some of whom have access to company documents, Wal-Mart is one of Huangwu No. 2 Toy factory's buyers. Huangwu No. 2 Toy factory products are sold in both the U.S. and China.
- › From the outside, the Huangwu No. 2 Toy factory looks great, even having a basketball court for its employees, but on the inside, it is a sweatshop where

China's labor laws are systematically and grossly violated with complete impunity.

Grueling Hours:

- › Workers at the factory 105 to 108 hours a week;

- › During the peak season, 15 to 15 hour shifts are routine, from 7:30 a.m. to 10:30 /

- › 11:00 p.m., seven days a week;

- › 16 to 19 hour all-night shifts not uncommon, stretching from 7:30 a.m. to midnight, and 1:00, 2:00 and 3:00 a.m.;

- › Forced to work 47 to 51 hours of overtime a week—exceeding China's legal limit by 550 percent—while being cheated of legal overtime pay.

The peak production season at the Huangwu No. 2 Toy factory typically lasts for nine months, from September through May. For assembly line workers the standard shift throughout these nine months is 15 to 15 hours a day, from 7:30 a.m. to 10:30 p.m. or 11:00 p.m., seven days a week. Mandatory all-night 16 to 19 hour shifts are also not uncommon, stretching from 7:30 a.m. to midnight, and to 1:00, 2:00 and 3:00 a.m. During the peak season, workers typically get one Sunday off a month. On a routine basis then, these toy workers can be at the factory 105 to 108 hours a week, while working 87 to 91 hours, after accounting for lunch and supper breaks. The workers get 1 hours for lunch and another hour break for supper. This means the workers are required to remain for 47 to 51 hours of overtime a week, which exceeds China's limit on legal overtime hours by 550 percent. By law, workers cannot work more than three overtime hours per day, nine per week, and 36 hours per month, while at the Huangwu No. 2 Toy factory, the workers are routinely putting in 200 and more overtime hours per month.

As mentioned, mandatory 16 to 19 hour shifts are also not uncommon. On Sunday, November 20, the Huangwu Toy workers were kept working until midnight. Shortly afterwards, the workers asked the factory manager if it would not be possible for them to work less overtime. Obviously the workers were getting worn down and exhausted. Far from giving a positive response, the manager informed them that it was very possible that they could be working to 2:00 and 3:00 a.m. most nights in December.

Even during the brief three-month slow season—June, July and August—the workers are still at the factory 13 hours a day and 81 hours a week, while

working 10 hours a day and 60 hours a week. During the slow season, the workers still get just one day off a week, whereas the legal regular 40hour workweek is eight hours a day, five days a week, with Saturday and Sunday off.

Slow Season Hours

(at the factory 13 hours a day and 81 hours a week)

› 7:30 a.m. to 11:30 a.m. (work-4 hours)

› 11:30 a.m. to 1:00 p.m. (lunch-1 hours)

› 1:00 p.m. to 5:00 p.m. (work-4 hours)

› 5:00 p.m. to 6:00 p.m. (supper-1 hour)

› 6:00 p.m. to 8:00 p.m. (overtime-2 hours)

Wages:

› **Paid 43 cents an hour and \$3.45 a day;**

› **In spray paint department, workers paid just \$0.000387 cents per piece;**

› **If workers fail to meet their production quota, their wages fall to 15 to 18 cents an hour, which is less than half the legal minimum wage;**

› **Workers are routinely cheated of their legal overtime wage—losing at least \$13.33 a week, or 25 percent of the overtime pay due them;**

› **One month's wage is always withheld.**

Wages are paid either by the hour or by piece rate, though often there seems to be a mixture of the two. For example, in the spray paint department, the workers earn 28 yuan per day, or \$3.45, and 43 cents an hour, but only if

they reach their assigned production goal within the regular eight hours. An experienced worker would have to paint 8,920 small toy pieces a day, or 1,115 per hour, and one every 3.23 seconds in order to earn the \$3.45 for the eight hours. This puts the piece rate at an astounding \$0.0003862 cents per operation. A newer worker has to complete 7,200 small pieces in eight hours, or 900 pieces an hour and one every four seconds. Workers who fail to reach their goal for the shift will see their wages drop to 10 to 12 yuan for the day, or \$1.23 to \$1.48, and 15 to 18 cents an hour. The work pace is furious and unimaginably relentless.

Regular Wages

28 yuan per day (if a worker completes the assigned quota)

› 43 cents an hour (.4315659)

› \$3.45 a day (8 hours)

› \$17.26 a week (40 hours)

› \$74.80 a month

All overtime is paid at just 3.9 yuan per hour, or 48 cents, which is well below the legal limit established for overtime work. By law, weekday overtime is to be paid at a 50 percent premium, or

5.25 yuan—given the 3.5-yuan regular wage—which would be 65 cents an hour. Weekend overtime should be paid at a 100 percent premium, or 86 cents an hour, while work on a statutory national holiday must be paid as triple time, or \$1.29 per hour. By paying below the legal premium, workers are routinely cheated out of \$13.33 a week, or 25 percent, of the overtime pay legally due them.

When workers are obligated to toil on national holidays, they are being shortchanged on more than \$10 a day in overtime wages legally due them given the typical 12 hours of work, earning just \$6.00 when, in fact, they should be earning \$16.13 for the holiday.

Workers are paid once a month. They are paid in cash and do not receive any pay stubs. The workers take their timecards to the financial department where they get paid. This system makes it almost impossible for the workers to contest any deductions management may have taken from their wages.

Also, one month's wages is always withheld, making it more difficult for workers to quit given that they would have to forfeit at least this month's wage. Nonetheless, workers flee this factory in droves given the exhausting hours, low wages, and miserable conditions.

Intense Work Pace:

› **Recent speed-ups lead to worn, bleeding and blistered fingers and hands.**

› **No special safety measures for pregnant women, who either must endure the relentless pace or take time off without pay.**

› **Assembly line workers required to complete 10,000 operations a day—one every three seconds.**

Workers report that there have been recent dramatic speed-ups on the assembly line. For example, on the assembly line producing the small plastic heart-shaped children's rings, each worker must complete 10,000 operations a day, or 1,250 per hour, which comes to an unimaginably relentless pace of **one operation every three seconds**. Workers have passed out from exhaustion.

The relentless finger and hand motions required to assemble up to 10,000 pieces each day wears away the skin on the workers' fingers and hands, leaving them sore, blistered and often bleeding. These workers are also handling glue all day, which further cracks their skin. It is the same in the spray paint department.

No special safety measures are taken with regard to pregnant women. If they cannot keep up with the pace of production, they must take time off—without pay. And just like the other workers, if they fall behind on their production, they will be scolded and yelled at to make an example of them in front of the others.

Room and Board:

The workers are housed in dorms with nine double-level bunk beds and five to 18 people housed in each crowded room. There are two electric fans, but in the summertime, the rooms remain unbearably hot and humid. There are no private bathrooms. Each floor has a public bathroom and showers—but only one floor offers hot water. Many workers have to take cold showers at night.

Room and board is free, but the workers have to pay 10 yuan a month (\$1.23) for water and electricity, and have to cover the cost of breakfast.

All the workers say that the factory cafeteria food is terrible, but they endure it since they cannot afford to eat anywhere else. The cafeteria is dark and dirty, with tables and benches of concrete. The whole place is unsanitary. The workers do not eat well and as a result, along with the grueling hours

they are working, their health suffers. Each meal consists of one main dish, soup and one vegetable dish. For example, on Saturday, November 19, bean sprouts were served for lunch along with fried eggs and tomatoes. The soup is left in a huge bucket for the workers to serve themselves. The workers reported that the soup was basically hot water with some soy sauce mixed in and a few—very few—vegetables. It is very rare for the workers to get pork. But on holidays they do get one extra chicken leg.

Denied National Holidays and Paid Maternity Leave:

During the peak season the factory does not respect national holidays. Instead, workers can take just one day off, without pay. In China, for the major national statutory holidays including National Day, May Day and especially Spring Festival, most people get one to two weeks off with pay. The Spring Festival is the most important time of the year when everyone tries to travel home to be with their families. At the Huangwu No. 2 Toy factory, instead of getting one to two weeks off with pay for Spring Festival, the workers are given just five days off, with no pay, and they have to work the other days of the holiday for their average wage rate, while being cheated on the holiday overtime premium due them. The workers get just one day off for National Day and for May Day, again without pay.

At the Huangwu Toy factory—again blatantly illegally—there are no paid leaves to get married or to bury a family member. The legal right to three months maternity leave with pay is also denied.

In violation of the law, workers are not provided health insurance or inscribed in a pension program:

Article 72 of China's labor law mandates that all companies—including foreign invested enterprises—must inscribe all their workers in social health insurance and pension programs, with both company and workers paying into these programs. Huangwu Toy factory management blatantly ignores this law as well.

In the Huangwu factory, a handful of older workers in the model department are insured, but no one else is. This is a problem especially in the spray paint department, where people suffer from the constant exposure to oil-based paints. Workers are given what they describe as a very thin face mask—but still, it is not sufficient to prevent frequent incidents of nose bleeds. Such an incident happened on November 17, when a worker in the spray paint department had to take the day off to try to stop his nose from bleeding. But when he returned to work the following day, the bleeding started all over again.

Docked three days wages for every missed day:

The factory is governed with strict rules and fines for failing to comply. A worker arriving ten minutes late to his or her shift will be fined five yuan (62 cents)—or nearly a half hour's wages. Anyone missing a day will be docked three day's wages.

Anyone missing three day's work will be considered to have quit, meaning they forfeit payment of all back wages.

Workers have to wear factory uniforms, for which they must pay 20 yuan, \$2.47.

There is a "union"—but the workers are not allowed to join:

There is an official "union" at the Huangwu Toy plant, but only two people are in it: the plant director and the manager. Workers are not allowed to join.

Corporate monitoring visits are the typical sham:

Corporate audits are known in advance and all necessary preparations are undertaken. Workers know what they have to say in order not to be fired.

As in many other factories, the Huangwu Toy workers are fearful—for good reason. It is rare that the workers even leave the factory compound. Given the excessive hours they work, most workers return exhausted directly to their dorms to sleep following their shift, and on the rare occasions that they do leave the factory compound, they believe management would fire them if they were ever seen talking to outsiders.

These toy workers are in a trap, where their most fundamental human and worker rights are routinely and systematically violated with complete impunity on the part of management. U.S. corporate codes of conduct have failed to reverse this exploitation and denial of legal rights.

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