

Tears behind toys

working conditions in China's toy industry

When last did you buy a toy for a baby or a child? I buy toys frequently for my baby and can easily list what I looked at when I made my latest purchase last week: was the toy manufactured by a tried and trusted company that makes quality toys? Was the toy safe for my child? Would she like the colours? Would she find it scary?

Not once had I considered whether the conditions were safe for the workers making the toy. Not once had I considered how much money the workers who made the toy were getting, or having deducted for minor offences. Not once had I considered that the toy may have been made by a worker who had worked an eight-hour day and then eight hours of overtime. Not once had I considered these things, until I spoke to researchers from the Asian Monitor Research Centre (AMRC), saw their exhibition at the Sigur conference and read their report on the working conditions of the toy industry in China.

China produces one third of the world's toys. Many transnational corporations (TNCs) subcontract their work to their partners in Hong Kong, who in turn invest in China and other Asian countries. The TNCs design and market their products, but the products are most often produced by subcontractors. Corporations commonly have many subcontractors producing goods - for example Mattel,

Tanya van Meelis highlights findings from a study on the toy industry in China.

which 'owns' Barbie, has over 300 subcontractors in the southern part of China alone. For the researchers, this guarantees production for the TNC - if one manufacturer fails, another will deliver. The TNCs save substantial funds through not having to pay benefits or invest in capital - this falls to the subcontractor who most often does not pay benefits either. Having a wide variety of 'partners' also strengthens the

Coalition

A group of NGOs set up the Coalition for the Charter on the Safe Production of Toys in 1993 after fires in toy factories in Kadad (Thailand) and Zhili (China). They drafted a Charter in 1994 and it was endorsed by more than 60 local and regional labour and development activists including NGOs, trade unions, women's groups, environmental groups and church groups.

Researchers conducted the fieldwork for the study from July to October 1998 for the Coalition for the Charter on the Safe Production of Toys. The researchers investigated 12 factories. All the factories are in the EPZs in Guangdong Province.

bargaining power of the TNC - if the subcontractor does not accept the TNC's terms, the TNC can easily shift production elsewhere. Subcontractors cut costs, including labour costs, to guarantee orders, but as the AMRC notes 'lower quotations attract orders, but workers' interests will be sacrificed'.

Wages

The first thing that is striking about the wages paid in China is the fact that employers do not obey labour law regarding minimum wages. China's labour law states that some companies must pay the stipulated minimum wage. The minimum wage in Shenshen and Dongguan is about RMB350. However, in the low season workers earn as little as RMB250. Moreover, workers receive even less money when they are on probation - workers working for Tri-S Manufacturing (China) Ltd which produces Fisher Price and Tyco toys, said that some new workers on probation received as little as RMB40 per month.

Companies further reduce workers' wages by:

- deducting money for services (such as meals and accommodation);
- deducting money through fines (for 'offences' such as losing one's factory identity document).

Many workers believe that even if the company has a good reason to fine, the fines are often too high.

Overtime and piece work

China's labour law states that employees should not work more than eight hours a day or 44 hours a week on average. Overtime should not exceed an hour per day, but under special circumstances, overtime may be three hours per day at the most. Overtime should not exceed 36 hours a month. Employees are also supposed to have at least one day of rest per week.

The research showed that the standard working day is eight hours. However, workers work for much longer during the peak season - most workers worked 10 to 16 hours a day for six or seven days a week! AMRC reported that the minimum overtime work they found was at Vtech Electronics Ltd where workers worked three hours overtime per day, 15 hours per

Fines in toy companies (1 Yuan (RMB) = R0.74)

Fines in Zhongmei Toys Manufacture (Barbie dolls-Mattel)

- | | |
|-------------------------------|--------------------------------|
| 1. Leaving without permission | RMB6 + RMB200 (seasonal bonus) |
| 2. Violation of factory code | RMB15-50 |

Fines in Tri-S Manufacturing (China) Ltd (Tyco and Fischer Price-Mattel)

- | | |
|-------------------------------|--------------------------------|
| 1. Leaving without permission | RMB5/day, one month wage/2days |
| 2. Factory ID cards lost | RMB20 |
| 3. Meal cards lost | RMB2,5/day |

Fines in Dongguan Jifu Toys Factory (Tyco and Fischer Price-Mattel)

- | | |
|-------------------------------------|----------|
| 1. Lost factory ID cards | RMB28 |
| 2. Leaving without permission | RMB30 |
| 3. Smoking in the workplace | RMB100 |
| 4. Other violations of factory code | RMB10-20 |

Fines in Keyhinge Toys Ltd (McDonalds)

- | | |
|-------------------------------|--------|
| 1. Leaving without permission | RMB100 |
| 2. Late for work | RMB1 |

week, 56 hours per month. The maximum overtime they found was at Tri-S Manufacturing (China) Ltd and Dor Lok Toys Ltd where workers worked eight hours overtime per day, 56 hours overtime per week and 224 hours per month!

Since most toy workers are paid on a piece rate (that is paid for what they produce), they do not receive overtime pay, as one worker explains: 'The quota changes everyday. Those who cannot finish the quota, cannot go home and will not receive any overtime wage. Only those who are hourly paid will receive overtime wage. Usually I work until midnight, sometimes 2 or 3am.'

Workers complained to the researchers that the hours they worked were too long and that they did not have enough time to sleep. Dor Lok Toys Ltd workers reported getting only four hours sleep a day, while workers at Happy Crafts Industrial Toys Ltd reported getting only six hours sleep a day.

Forced leave without pay

Three companies had asked workers to take forced leave without pay. They said that there were no orders and that the workers should stay at home until it got new orders. During this 'leave period' the workers were not paid, and the companies held their one-month wage deposits. The workers could therefore not look for a new job because if they left their existing employer they would lose their one-month wage deposit and half of their last months salary which management was still holding. Getting a new job would mean losing one and a half month's wages.

Meals and dormitories

Most workers reported to the researchers that the food provided by the factories



Toys are produced by subcontractors for TNCs.

was very bad - it had poor taste and a low nutritional value. Most workers had to pay for their meals and accommodation.

Workers also complained about their living conditions. Twelve workers usually share a room with space only for six double deck beds. The rooms are thus very crowded and workers have little privacy.

Since activist action taken after a fire at Zhili in 1993, where 87 workers died and 51 were injured, there are fewer 'three-in-one' factories (a factory which combines the production site, warehouse and dormitory in one building). Now, many companies house production, the warehouse and the dormitory in separate buildings.

Health and safety

Most workers interviewed, told the researchers that their factory had a medical room with a doctor and a nurse on duty. Workers had to pay to see the

doctor, and pay for any medicine the doctor prescribed. If a worker had to go to hospital, they had to pay the hospital fees. Generally, workers are not allowed to claim for sick leave. A typical employer's view is that if a worker has flu she can still work.

China's labour law compels the employer to provide the employees with a safe working environment, sanitary facilities and protective devices.

Employers are also supposed to carry out physical checks on employees who work on jobs involving occupational hazards. This is not being done. AMRC concluded that 'it seems that workers are not being protected properly and in many cases, their health and safety are undermined'.

Workers complained to researchers that the air in their factory was full of strong smells - especially in the paint spraying section. There were only a few fans on the ceiling of the factory. Workers also said that the work environment was too hot and that many workers got flu, breathing problems, red eyes, skin diseases like heat rash, itchy skin, sensitive skin and peeling.

The research also revealed a poor record in terms of compensation for accidents at work. Workers who worked at Bingo Corporation Ltd (which produces Tomy toys) were injured (30) or killed (7) when two balconies in the company's new dormitories collapsed. Six workers who were still in hospital told researchers that while management had promised to pay for the hospital expenses and their wages during hospitalisation, it did not mention anything about compensation for the accident.

Harsh management

Most workers complained that the factories had too many rules and regulations and that management was eager to implement them. Workers said

that management unilaterally imposed too many fines. There are also reports of supervisors shouting at workers and beating workers up.

Trade unions

China's labour law provides the right for workers to join or organise trade unions. Trade unions should represent and protect the legitimate rights of working people and conduct their activity independently and at their own discretion. However, as the AMRC reports, this law is meaningless as workers do not have the right to organise an independent trade union of their own free will.

The only union recognised by the state is the All China Federation of Trade Unions (ACFTU). ACFTU is reported to be subordinate to the state and the party: 'Though ACFTU claims to represent the interests of the workers, it follows government and party policy rather than defending the rights of the workers.' I was also informed, at the Sigtur conference, that if one is caught organising an independent union you could get three years hard labour - without a trial.

One (Zhongmei) of the 12 companies the researchers investigated had a trade union. Each worker paid RMB6 per month to the union and received RMB100 coupons for shopping. The union's major activities included organising picnics and Karaoke. Workers reported having little confidence in the union, and thought that the union would be on management's side in a dispute.

Strikes

AMRC's interviews revealed that three strikes had taken place in the last two years. The factories affected were Zhongshan International Ltd (Tomy), Laxo Toys Ltd (Disney) and Happy Crafts Industrial Toys Ltd. However, the strikes

Factory Item	Mattel (HK) Ltd Chang An Plant (Mattel)	Tri-S Manufacturing (China) Ltc (Mattel)	Laxo Toys Ltd (Disney)	Keyhinge Toys Ltd (McDonald's)	Zhongshan International Ltd (Tomy)
Products	Barbies Tyco toys	Fisher Price and other toys	Mickey Mouse	Free gift toys	Toys
No of workers	5 500	>3 000	>300	1 600	7 000-8 000
Proportion of women	99%	90%	Majority	97%	Majority
Age range	18-25	16-32	20-30	18-30	16-32
Contract	3 years	2 years	Yes	None	N/A
Deposit	20 days' wages	one month's wages (RMB10/month)	RMB60 + RMB120	One month wage	RMB50 + one month wage
Working hours	8 hrs/day 6 days/week	8 hrs/day 7 days/week	8 hrs/day 7 days/week	10 hrs/day 6 days/week Sunday 6 hrs	8 hrs/day 7 days/week
Overtime work	2,5 hrs/day 6 days/week	6-8 hrs/day 7 days/week	5 hrs/day 6 days/week	2 hrs/day 6 days/week	5-6 hrs/day 7 days/week
Wages	RMB390-700	RMB300-450 (L.S. RMB40-200)	RMB600-700	RMB700-800	RMB600-700
Overtime wage	No	No	RMB0,5-3/hr	RMB2,4-3,2/hr	No
Bonus	RMB30	No	RMB35/month	RMB24/3months (painter RMB60-100 more)	RMB20/month
Fines	Yes	Yes	Yes	Yes	Yes
Meals / month	RMB150	RMB40	RMB75	RMB135	RMB60
Dormitory	RMB22	Free	RMB30	RMB32	Free
Leave / year	15 days + transportation	11 days + transportation	20 days + RMB100 transportation	4 days	7 days
Resignation	Not allowed	Not allowed	Not allowed	Not allowed	Not allowed
Sick leave	Not allowed	Not allowed	Not allowed	Not allowed	Not allowed
Medical fee	RMB2/month	RMB2 each time	Free	RMB1/time	RMB5-6/time
Trade union	No	No	No	No	No
Child labour		Many borrowed others' ID cards to secure job			
Strikes			Yes, 3/98, wages withheld & asked to write a statement of repentance	Wages withheld, workers complained to Labour Bureau and won	Yes, 3/97, some were fired
Workers' major complaints	Factory code too strict, workers resentful, high turnover rate	Factory management too harsh, too many fines, ID withheld during probation period (15 days)	Factory code too strict, too many fines	Factory code too strict. Migrant workers were discriminated against	Factory management too harsh, too many fines

(Source: Asian Monitor Research Centre)



The coalition pushes toy companies to make changes.

failed because they were not well organised or supported by a trade union. Zhongsham International Ltd reportedly fired some workers after the strike. Laxo Toys Ltd was said to have withheld workers' wages and forced workers to write a statement of repentance. Happy Crafts Industrial Toys Ltd supposedly fired supervisors and line leaders and fined other strikers six days wages.

Conclusion

Workers in toy factories in China still face poor working conditions including long hours, low pay, fines, lousy food, inadequate housing and poor health and safety conditions. Moreover, much of the conditions workers face are in violation of China's labour law.

'What is to be done?' The toy campaign will continue to do work on the issue including research and disseminating research results. AMRC feels that more work could be done on Codes of Conduct or Independent Monitoring mechanisms. However, subcontractors continue to

violate China's labour law and many of the factories investigated in the study are subcontractors for TNCs with codes of conduct: 'Clearly much work has yet to be done to make these codes into workable vehicles to improve working conditions.'

The consumer movement is strong and can pressure TNCs to make changes. AMRC suggests that the consumer movement be supported and strengthened by, for example, developing consumer education and a consumer campaign.

Lastly, and most importantly, labour activists such as the AMRC, need to and will continue to promote the formation of independent unions in China - independent unions that can monitor what is happening in the factories and challenge abuses. ★

References

All information used in this article is taken from a report - 'The working conditions of the toy industry in China', edited by the Asian Monitor Resource Centre for the Coalition for the Charter on the Safe Production of Toys, March 1999